



## Country Self-Assessment for the African Peer Review Mechanism

The Questionnaire is divided into four major sections corresponding to the four focus areas in the "Objectives, Standards, Criteria and Indicators for the APRM" document

- a) Democracy and Good Political Governance
- b) Economic Governance and Management
- c) Corporate Governance
- d) Socio-economic Development

In each focus area, the overall objective of the section is defined, followed by the components in terms of which country action with regard to the overall goal will be assessed:

**Objectives.** The objectives define the essential elements of the overall goal that must be achieved in a measurable way.

**Standards and Codes.** The Standards and Codes are those that have been approved by African countries, individually or collectively, with regard to 'how' they govern themselves and manage their societies, economies and socio-economic development. Kindly note that the standards and codes are provided for guidance and reference. Countries will not be marked against whether they adhere to these or not, the purpose being to ascertain their familiarity with these standards and codes and the extent of their application.

**Questions.** The questions serve to focus on what the country has done with regard to the objectives and the codes, how it does it and with what results.

**Indicators.** The indicators are the type of evidence that is expected in the responses of countries. The indicators serve to highlight aspects of the objective, standard or code that are generally recognised as measures of performance and results.

The APRM **Foundation Documents** may be found at [www.nepad.org](http://www.nepad.org) or can be obtained from the NEPAD Secretariat, P.O. Box 1234, Midrand 1685, South Africa or c/o DBSA, 1458 Lever Road, Halfway House, South Africa (telephone + 27 11 313-3828, facsimile +27 11 313-3440).

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**Date of preparation:**

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The purpose of the Questionnaire is two-fold. Firstly, to provide participating countries with a format that can serve as a checklist to determine whether the various stakeholders participating in the process have responded to their concerns. Secondly, as a convenient summary to provide an overview of the results of their own self-assessment processes.



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## FOREWORD

The New Partnership for Africa's Development (NEPAD) is the Strategic Policy Framework and Socio-economic Development Programme of the African Union (AU). The vision of NEPAD is "to eradicate poverty and to place countries, individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and body politic". This calls for improved governance of all entities whether public or private as well as action plans outlining realistic sustainable development targets, reinforcing successful best practices, identifying deficiencies and assessing the needs for capacity building in all African Countries.

In an effort to enhance the quality of governance in Africa, the 6<sup>th</sup> Summit of the Heads of State and Government Implementation Committee (HSGIC) held on 9<sup>th</sup> March 2003 adopted the Memorandum of Understanding on the African Peer Review Mechanism (APRM) and the *Declaration on Democracy, Political, Economic and Corporate Governance*. This latter document, which had also been endorsed by the inaugural Summit of the African Union (AU) held in Durban in July 2002, contains prioritised and approved codes and standards in four focus areas: Democracy and Good Political Governance; Economic Governance and Management; Socio-Economic Development; and Corporate Governance. The HSGIC also adopted documents that outline the core principles, processes and objectives of the APRM including the *APRM Base Document*, the *APRM Organisation and Processes Document*, and the document on *Objectives, Standards, Criteria and Indicators for the APRM*.

The APRM therefore is a self-monitoring mechanism voluntarily acceded to by Member States of the AU with the aim of fostering the adoption of policies, standards and practices that will lead to political stability, high economic growth, sustainable development and accelerated regional and economic integration. It underscores the commitment to implement the codes and standards contained in the *Declaration on Democracy, Political, Economic and Corporate Governance*.

The APRM is open to all member states of the AU of which sixteen members have voluntarily acceded at present including Algeria, Burkina Faso, Cameroon, Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Republic of South Africa and Uganda. A number of other countries have also indicated intention to join and await the finalization of the formal prerequisites.



The overall responsibility of the APRM is vested in the Committee of Participating Heads of State and Government of the Member States of the APRM (APR Forum]. The APR Forum held its inaugural meeting in Kigali on the 13<sup>th</sup> of February 2004 and elected President Olesugun Obasanjo of Nigeria as Chairperson.

A Panel of Eminent Persons [APR Panel] appointed by the Heads of State and Government oversees the conduct of the APRM process and ensures its integrity. The composition of the APR Panel is the following: Mrs Marie Angeliqve Savane (Senegal), Chairperson; Prof. Adebayo Adedeji (Nigeria for West Africa); Ambassador Bethuel Kiplagat [Kenya representing East Africa]; Dr. Graca Machel [Mozambique for Southern Africa]; Mourad Medelci [Algeria for North Africa]; Dr. Dorothy Njeuma [Cameroon for Central Africa]; and Dr. Chris Stals (Republic of South Africa also for Southern Africa region].

The APRM Secretariat provides the secretarial, technical, coordinating and administrative support services for the APRM.

To facilitate the implementation of the APRM and to ensure the integrity of the process, the APR Panel was called upon to develop tools, instruments, codes of conduct and guidelines to govern the country review process. In this regard, the APR Panel with the assistance of the APR Secretariat have developed the following documents: the *Rules and Procedures of the APR Panel and Secretariat*; the *Guidelines for Countries to Prepare for and to Participate in the APRM*; the *Code of Conduct of the APR Country Review Teams*; a draft MOU to be signed with participating countries; and a draft MOU to be signed with partner institutions.

The APR Panel also requested that steps be taken to further refine the Objectives, Standards, Criteria and Indicators of the APRM so as to ensure their technical soundness and make them appropriate to the context of participating countries in all the four focus areas of the APRM. In responding to this mandate, wide consultations were undertaken with diverse stakeholders and Institutions, both regional and International working on relevant issues to develop a questionnaire spelling out detailed criteria and indicators for assessment. Gratitude must be extended to all who participated including the relevant organs of the African Union, the African Development Bank, the United Nations Economic Commission for Africa, Africa Bureau of the United Nations Development Programme, the World Bank, the Organisation for Economic Cooperation and Development, key regional resource institutions, individual experts and civil society including women, trade unions, academicians and the media.



It is therefore a momentous juncture for the APR Panel to present this questionnaire. It must be emphasized that the main purpose of the questionnaire is to assist countries to undertake their self assessment and subsequently draft their *Preliminary* Programme of Action.

The questionnaire is also intended to promote national dialogue on development issues and to facilitate the evaluation of countries on the basis of the realities expressed by all stakeholders. It is therefore important that there be broad based representation at the National structure coordinating the APR Process as well as wide dissemination of the questionnaire and active participation of all stakeholders in providing responses to the questionnaire.

Taking into account possible capacity constraints in participating in the APRM and in particular with regard to responding to the questionnaire, the APR Panel will lead a support mission to each country prior to the commencement of the self assessment process to explain the philosophy, rules and processes of the APRM and the objectives and use of the questionnaire.

There shall also be Workshops at intervals during the continental review process to share experiences on the review process which may lead to further refinement of the assessment tools including the questionnaire.

It is anticipated that given the differences of levels of development, participating countries would achieve the goals, objectives, standards and codes of the Questionnaire at various times according to the context and historical development of each country.

On behalf of the Heads of State and Government who appointed us, the APR Panel of Eminent Persons and all who have been involved in this process to date, I thank all stakeholders participating in the APRM for their contribution to this renewed vision for Africa.

Yours sincerely,

**Marie-Angelique Savané**

**Chairperson of the Africa Peer Review Panel of Eminent Persons**



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## 1. BACKGROUND AND PROCESS OF THE APRM

### 1.1. Introduction

- 1.1.1. The African Peer Review Mechanism (“APRM”) foundation base document [AHG/235 (XXXVIII) Annex 2] defines the APRM as: “an instrument voluntarily acceded to by Member States of the African Union as an African self-monitoring mechanism.”
- 1.1.2. The primary purpose of the APRM is: “to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building.”
- 1.1.3. To ensure that the primary purpose is realised, the participating states have committed themselves to adopting appropriate laws, policies and standards, as well as building the necessary human and institutional capacity. They have also committed themselves to adopting specific objectives, standards, criteria and indicators for assessing and monitoring progress in key areas on a regular basis in accordance with the APRM base document and the *Declaration on Democracy, Political, Economic and Corporate Governance*, as endorsed by the inaugural Summit of the African Union (AU) in Durban, South Africa in July 2002 [AHG/235 (XXXVIII) Annex 1].
- 1.1.4. The overarching goal of the APRM is for all participating countries to accelerate their progress towards adopting and implementing the priorities and programmes of the New Partnership for Africa’s Development (“NEPAD”), achieving the mutually agreed objectives and compliance with best practice in respect of each of the areas of governance and development. This can only be achieved through the sustained efforts of the country itself, involving all stakeholders. It requires that each country

carefully assess its own situation through a broad participatory process led by the government that results in a Programme of Action with time bound objectives to guide all stakeholders in the actions required by government, private sector and civil society to achieve the country's vision.

- 1.1.5. However, given the differences of historical context and stages of development, countries will start from different base lines and will not be expected to reach their highest level of performance at the same time. The rate of progress will also depend critically on the level of commitment and political will of each country to take deliberate steps to realise its vision.

## 1.2. **The APR Process**

- 1.2.1. The APR process will be conducted under the leadership of the APR Panel and the technical support of the APR Secretariat. It consists of five stages that are defined in the APRM Base Document and discussed in detail in the Guidelines for Countries to Prepare for and to Participate in the APRM.

**Stage One** is the preparatory process both at the level of the APR Secretariat and the national level. During this stage, the APR Secretariat will send a questionnaire to all participating countries on the basis of the mutually agreed Objectives Standards, Criteria and Indicators. The country will develop a self assessment on the basis of the questionnaire. The country is also expected to formulate a *Preliminary* programme of action based on existing policies, programmes and projects. Upon receiving the self assessment and the preliminary programme of action, the APR Secretariat which during this time has developed a Background document on the country, through research and gathering information relevant to the country will prepare an Issue paper that will guide the country in the review process. If on the basis of all available data the APR Secretariat determines that the issues require further in-depth assessment analysis, it will make arrangements for



a competent partner institution to conduct the assessment. Upon completion of the technical assessment, the assessment report is sent to the APR Secretariat and the APR Panel.

**Stage Two** marks the visit of the APR Team to the country concerned with a view to holding extensive consultations with all stakeholders.

**Stage Three** is the drafting of the report by the APR Team. The report is prepared on the basis of the Background document and the Issue Paper prepared by the APR Secretariat, and the information provided in the country during the extensive consultations held with stakeholders.

In **Stage Four**, the APR Team's report is submitted to the APR Secretariat and APR Panel. After deliberation by the APR Panel, the report is then submitted to the APR Forum for consideration and formulation of actions deemed necessary in accordance with the mandate of the APR Forum.

**Stage Five** is the final stage of the APR Process. It involves making public the report and related actions. Six months after consideration of the report by the APR Forum, the report will be formally and publicly tabled in key regional and sub-regional structures.

- 1.2.2. Allowance has also been made for a preliminary phase known as **Country Support Mission**. The primary purpose of the country support missions is to: ensure a common understanding of the philosophy, rules and processes of the APRM; and on the basis of the self-assessed needs of the Participating Country, plan and provide support to the Participating Countries in aspects of the national processes where they signal a need for such support.





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## **2. GUIDELINES FOR THE COMPLETION OF THE QUESTIONNAIRE**

### **2.1. Procedure for Completing the Questionnaire**

- 2.1.1. It is hoped that prior to receiving the questionnaire each country would have established a national focal point comprised of representatives of all stakeholders to coordinate the APRM process.
- 2.1.2. It is expected that the APR Focal Point in each Participating Country will draw up a list of the stakeholders (government, private sector, civil society) that would participate in responding to the Questionnaire. It would then distribute the entire Questionnaire to all stakeholders through their representatives in the Focal Point. The APR Focal Point would also provide the APR Secretariat with a list of all the recipients of the Questionnaire.
- 2.1.3. All stakeholders would be invited to concentrate on the Section in the Questionnaire corresponding to their specialisation, expertise, mandate or mission, but to feel free to respond to any question in the other sections in which they desire to input. All stakeholders would be required to provide available documentation and specific references for the responses that they furnish so that the documentation of the sources of the country's self-assessment can be as complete as possible in order to validate or support the responses.
- 2.1.4. The stakeholders would be given a time frame within which to complete and return the Questionnaires along with an overall report on their assessment and available documentation to the national APR Focal point.
- 2.1.5. The APR Focal Point would then collate the responses, and consult with stakeholders to build a consensus response. It would also use the responses and the available assessment reports to compile the country's Self-Assessment Report, based on the Questionnaire responses and other research. It would ensure that there are detailed references to the sections of the Self-assessment Report in

which a question is answered and the indicators are defined more fully.

- 2.1.6. To facilitate consistency and ease of reference, if the electronic mode of response is used, the Questionnaire should be completed by the respondents entering their responses or explanations under the particular question in the Questionnaire using this document as the basis for formulating your response. The respondents are not limited in the scope of their answers and are encouraged to provide supplementary and/or supporting material that will elaborate upon their responses (see 2.1.8 below).
- 2.1.7. However, taking into account possible capacity constraints in providing electronic responses by all stakeholders, a similar questionnaire with provision for summary responses completed by hand has been prepared by the Secretariat and will be forwarded to the APR Focal point for distribution to stakeholders wishing to provide written responses.
- 2.1.8. Where applicable, the respondents may be required to attach supporting documentation to the Questionnaire. In this case, the external documentation should be indexed by reference to the particular question. The respondents are at liberty to provide a website reference, where the information contained in the document sought to be attached is obtainable electronically.

## 2.2. **Structure of Notes on the Questionnaire**

- 2.2.1. Every effort has been made to make the Questionnaire as respondent-friendly as possible. The Questionnaire contains explanatory notes at several levels to facilitate the task of the respondents.
- 2.2.2. At the start of each focus area, there are notes on that particular section and any peculiarities that respondents need to take into account in responding to the questions.
- 2.2.3. At the start of each objective there are brief notes to remind respondents on what is required, as well as of the

flexibility of the content with regard to both questions and indicators to allow respondents to take into account the peculiarities of their own situation.

- 2.2.4. At the level of the questions and indicators there are explanatory notes with regard to specific indicators that need verification.
- 2.2.5. Respondents completing the Questionnaire are encouraged to liaise with the APR Focal Point from whom they can obtain clarity on how to complete the Questionnaire or with respect to any of the questions contained in the Questionnaire. The contact details for the APR Focal Point are contained on the cover sheet of the Questionnaire.

### 2.3. **Cross-cutting Issues**

- 2.3.1. Given NEPAD's holistic approach to development, the focus areas in the four Sections cannot be treated entirely separately. These areas are recognised as interconnected and requiring an integrated or holistic response on the part of all partners in society and development. This interconnectedness has many strands, but for the purposes of the APR the following cross-cutting issues have been identified as requiring systematic attention across all areas of the Questionnaire:

- Poverty eradication
- Gender balance
- Decentralisation
- Country capacities to participate in the APRM
- Access to and dissemination of information
- Corruption
- Broad-based participation

- Sustainability in both financial, social and environmental issues

2.3.2. Questions and indicators on these cross-cutting dimensions are systematically built into every Section of the Questionnaire.

2.3.3. It is suggested that countries ensure that all participating stakeholders are aware of these cross-cutting issues, as well as others that might be of special significance within the context of the country, and that they be invited to identify other cross-cutting issues they consider important from the perspective of the country.

2.3.4. Thus, the intention is that countries would mainstream these cross-cutting issues in all areas by taking these dimensions into account in their responses, providing specific indicators wherever available.

#### 2.4. **Codes and Standards**

2.4.1. In order to ascertain the progress made by individual countries towards achieving the objectives of each focus area, the participating countries in the APRM have approved a number of codes, standards and internationally recognised benchmarks.

2.4.2. Although some of these benchmarks may cut across the four focus areas, those applicable to each focus area are listed at the beginning of every Section.

2.4.3. As a result, the first question in every Section is with regards to the compliance of the country to the agreed codes and standards.



### 3. GLOSSARY OF ACRONYMS

ACHPR	African Commission on Human and Peoples' Rights
APR Forum	The Committee of Participating Heads of State and Government in the African Peer Review Mechanism
APR Panel	The Panel of 5-7 Eminent Africans appointed by the Heads of State to provide leadership for the APRM
APR Secretariat	The APRM Secretariat
APR Team	A carefully designed integrated, balanced, technically competent and professional team comprised to undertake country reviews
ADB	African Development Bank
AU	African Union
CBOs	Community-based organisations
CEDAW	Convention on the Elimination of Discrimination Against Women
CSSDCA	Conference on Security, Stability, Development and Cooperation in Africa
ECOSOC	Economic, Social and Cultural Council of the African Union
GDP	Gross Domestic Product
GNP	Gross National Product
HIPC	Highly Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT	Information and Communications Technology
IDA	International Development Association
IDG	International Development Goal
ILO	International Labour Organisation



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IMF	International Monetary Fund
ISO	International Standards Organisation
MDG	Millennium Development Goals
NGOs	Non-governmental Organisations
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PSC	Peace and Security Council
UN	United Nations
UNECA	United Nations Economic Commission for Africa
WHO	World Health Organisation
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

*Note: The above list is not exhaustive, additional terms and definitions are also provided throughout the document. Should clarity be required on any term or definition, please contact the APR Focal Point or the APR Secretariat (see details on the front cover).*

#### 4. DEFINITION OF KEY TERMS

Business Ethics	“The principles, norms and standards that guide an organisation’s conduct of its activities, internal relations and interactions with external stakeholders.” (King II Report)
Corporate Social Responsibility	Entails responsive interaction between the corporation and the community within which it operates. It is the distinctive contribution a corporation makes to the advancement of society or alleviation of social concerns, usually through some form of investment in partnership with the community. It entails the integration of social and environmental strategies into the core business of a corporation so that the existence of such corporations will be sustainable in more than just financial terms
Corporations	Has been used to broadly describe any form of entity that conducts commercial activity in an incorporated form
Debt Service Ratio	Computed as the ratio of debt service burden (DSB) on all fixed term credits to foreign exchange receipts of the immediately preceding year. DSB consists of principal and interest payments on all fixed term credits (short, medium, long term) including IMF credits, but exclusive of prepayments, interim financing, deposits and rollovers
Decentralisation	Refers to restructuring or organisation of authority so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels, thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national levels

De-concentration	Involves the transfer of authority for specific decision-making, financial and management functions by administrative means to different levels under the same jurisdictional authority of the central government
Delegation	Refers to the transfer of government decision-making and administrative authority and responsibility to clearly spelled out tasks to institutions or organisations that are either under the government indirect control or semi-independent
Devolution	Refers to the action of the central government to relinquish certain functions or create new units of government that are outside its direct control
Ethics Management	Is the process by which an organisation entrenches a sound ethical business culture into all its internal practices, as well as its dealings with all its stakeholders. It refers to the measures put in place for the stewardship of the established principles and values of an organisation, and includes the evaluation and monitoring of such measures
Fiscal Deficit	This is the difference between the government's total expenditure and its total receipts (excluding borrowing)
International Standards on Auditing (ISA)	ISA entails <i>all the requirements of each applicable</i> Standard issued by the International Federation of Accountants
Stakeholders	All the representative constituencies in a society including but not limited to government, civil society, trade unions, youth, private sector, women groups and religious organisations

*Note: The above list is not exhaustive, additional terms and definitions are also provided throughout the document. Should clarity be required on any term or definition, please contact the APR Focal Point or the APR Secretariat (see details on the front cover).*



## SECTION 1

### DEMOCRACY AND GOOD POLITICAL GOVERNANCE

#### Definition

Good governance means creating well-functioning and accountable institutions - political, judicial and administrative - which citizens regard as legitimate, in which they participate in decisions that affect their daily lives and by which they are empowered (Kofi A. Annan, Partnerships for a Global Community (1998).

Democracy and good political governance constitute an important prerequisite for successful economic, corporate and socio-economic governance, touching as they do on the fundamental rights of the citizenry (both individuals and groups), the accountability of government to the governed, and the relative stability of the polity.

A cardinal part of the NEPAD declaration is an undertaking from the participating Heads of State and Government of the member states of the AU to work with renewed determination towards:

- The rule of law;
- The equality of all before the law and the liberty of the individual;
- Individual and collective freedoms, including the right to form and join political parties and trade unions, in conformity with the Constitution;
- Equality of opportunity for all;
- The inalienable right of the individual to participate by means of free, credible and democratic political processes in periodically electing their leaders for a fixed term of office;
- Adherence to the doctrine of separation of powers including the protection of the independence of the judiciary and of effective parliaments.



## 1. INTRODUCTION

This section of the questionnaire addresses the main objective of the APRM, which is the promotion of democracy and good political governance as a basis for the reduction of poverty and the attainment of sustainable development.

In this regard, questions have been developed for measuring popular participation and political equality - the key principles of a democratic society. These questions are grouped under several broad categories:

### 1.1. A Guaranteed Framework of Equal Citizen Rights

This category of concerns includes issues such as access to justice, respect for the rule of law, the freedoms of expression, association and assembly, as well as the basic economic and social rights to enable citizens to exercise these freedoms effectively. These issues are to be addressed in terms of objectives such as:

- 1.1.1. Preventing and reducing intra- and inter-state conflicts with particular attention to the extent to which the country under review strives to sustain peace and security within its borders and to contribute to peace and stability in its neighbourhood. In this connection, the existence of effective early warning systems, whether formal or informal, in a country or at the regional level is considered as an indicator (Objective 1);
- 1.1.2. Constitutional democracy and the rule of law are treated as two separate but related sub-issues. On the one hand constitutional democracy refers to constitutionally-established provisions and institutions which enable citizens to enjoy their rights of freedom of membership of political associations of their choosing and the free participation of these political groups and other associations in open political competition. Constitutional democracy is also empowering people at the grassroots level through the decentralisation mechanism that allows local communities to participate in decision-making affecting their destiny. On the other hand, the rule of law and the supremacy of the Constitution ensure that all

individuals are subject to and treated equally according to the law, and that no one is exposed to arbitrary treatment by the state. The rule of law also means that all authorities, including armed forces and security forces must obey the law. Furthermore, the legislative Acts of government should be enacted in conformity with the Constitution which is both the supreme law at the domestic level and the foundation on which the exercise of all powers within the state is based (Objective 2).

- 1.1.3. The promotion of economic, social, cultural, civil and political liberties ensures that the integrity and rights of people are respected by the state which should also take necessary steps to protect citizens' rights from violation either by its agents and/or a third party. In this connection, the institutionalisation of a system of due process involving competent judges who are able to apply the law independent of outside pressures and with impartiality is critical. Indicators related to this objective are underpinned by the principle of ensuring that the will of the people constitutes the basis of authority of the government. The popular will is measured, *inter alia*, through the right of citizens to participate directly and freely in the election of representatives and the equality of access to public service. Other indicators that are relevant for consideration include the capacity of the state to provide people with an adequate standard of living, education, housing and health care (Objective 3).
- 1.1.4. Upholding the separation of powers, including the protection of the independence of the judiciary and the fostering of an autonomous and effective parliament are also critical issues in the governance system. This objective ensures the establishment of a functioning system of separation of powers among the Judiciary, the Legislature and the Executive. The separation of power evaluates the system of checks and balances within the branches of government. An independent Judiciary gives confidence to citizens - individual, group, and corporate - that their rights will be protected by the courts; it also helps to foster the kind of enabling environment that can promote economic growth and the reduction of poverty. An

independent parliament that is alive to its oversight responsibilities is critical to the successful reduction of public sector corruption and the abuse of power by the Executive (Objective 4).

## 1.2. **Institutions of Representative and Accountable Government**

This encompasses the regular organisation of free and fair elections as one of the principal means for ensuring popular participation in the constitution of the government and the monitoring of its performance. It also touches on the procedures that are designed to ensure the continuous accountability of officials, elected as well as non-elected, to the public. The questions that have been included in the questionnaire on this issue address two broad objectives:

- 1.2.1. Ensuring that public office holders and civil servants are accountable, efficient and effective. The indicators under this objective are meant to establish the quality of service delivery and ensure the accountability of public officials to the public. Good public service delivery enables citizens to express their views on the performance of the government, and to hold civil servants accountable for their actions (objective 5).
- 1.2.2. Fighting corruption in the political sphere. Corruption misrepresents the real state of a country's economy and therefore is a disincentive for attracting much needed investment. Under this objective an attempt is made to assess the level of corruption in the country and the mechanisms that have been put in place to contain such practices (Objective 6).

## 1.3. **A Vibrant Civil Society**

This includes the existence of free and pluralistic media and vibrant civil society organisations. It also touches upon the system of public consultation for encouraging popular participation in the political process, involving marginalised groups in decision-making, eliciting governmental responsiveness to public opinion, and improving public service delivery. Close attention will be paid to the extent to which women, children and other marginalised



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groups such as internally displaced persons and refugees are integrated into the consultative process. Among some of the key objectives for which questions have been formulated are:

- 1.3.1. The promotion and protection of the rights of women and the mainstreaming of gender equality. The concern here is to ensure that women have a meaningful status in the country and to explore the frameworks necessary to further deepen their participation - political, economic, cultural and social. The indicators also seek to encourage governments to provide evidence of women's empowerment in the domain of access to and control of productive resources and services, as well as their role in decision-making, including conflict prevention and resolution. Issues pertaining to women's rights which are not covered under this objective are treated exhaustively in the economic governance and socio-economic development sections of the questionnaire (Objective 7).
- 1.3.2. The promotion and protection of the rights of the child and young persons. This objective aims to address the issues of children in armed conflict, child slavery, other abuses that prevent children from realising their full potential and rehabilitation mechanisms put in place (Objective 8).
- 1.3.3. The promotion and protection of the rights of vulnerable groups, including internally displaced persons and refugees. The failure to protect vulnerable groups represents an under-utilisation of a country's capacities through the exclusion of a part of the society. The questions also address the rights of displaced persons and refugees through their integration into the existing communities, thus contributing to regional stability (Objective 9).

*Given the number of standards and codes that define the objectives under this Section, it is pertinent that respondents include a list enumerating which of the standards or codes the country has signed, ratified or is presently complying with. Thereafter, respondents may go ahead to elaborate on the first question, providing as much evidence as is possible.*



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*Since indicators in Democracy and Political Governance are not amenable to quantitative measurement, the focus is on qualitative assessment. The indicators that follow are not intended to be exhaustive. You may want to elaborate on your answers and add key indicators, which relate to your country but which are not captured by the suggested indicators.*

*Kindly note that if your country has adopted and implemented any international standards that are not listed in the questionnaire, you are at liberty to provide relevant information concerning the date of adoption, the institutional arrangements in place, and the human and financial capacity for implementation.*

## **2. STANDARDS AND CODES**

### **2.1. International Instruments and Standards**

- The Charter of the United Nations (all objectives)
- The Universal Declaration of Human Rights (all objectives)
- The International Covenant on Civil and Political rights (1966) (objective 3)
- The International Covenant on Economic, Social and Cultural Rights (objective 3)
- The Optional Protocol to the International Covenant on Civil and Political Rights (objective 2)
- Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society to Promote and Protect Universally Recognised Human Rights and Fundamental Freedoms: A/RES/53/144 (objective 3)
- Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (objective 2)
- International Convention on the Elimination of All Forms of Racial Discrimination (objectives 2 and 3)



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- Convention on the Political Rights of Women (objective 7)
  - Convention on the Elimination of All Forms of Discrimination Against Women (objective 7)
  - Declaration on the Elimination of Violence Against Women (objective 7)
  - Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief (objectives 2 and 3)
  - Declaration on Fundamental Principles Concerning the Contribution to the Mass Media to Strengthening Peace and International Understanding, to the Promotion of Human Rights and to Countering Racism, Apartheid and Incitement to War (objectives 2 and 3)
  - UN GA Resolution 1325 on Women in Conflict (objective 1)
  - Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities (objectives 1, 3)
  - International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (objectives 3 and 9)
  - Convention on the Rights of the Child (objective 8)
  - Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict (objective 1 and 8)
  - Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography (objective 8)
  - Declaration on Social and Legal Principles relating to the Protection and Welfare of Children, with Special Reference to Foster Placement and Adoption Nationally and Internationally (objective 8)



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- Declaration on the Protection of All Persons from being subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (objectives 2 and 3)
  - Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (objective 2)
  - Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others (objectives 2, 3 and 8)
  - Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power (objectives 2 and 3)
  - Convention relating to the Status of Refugees (objective 9)
  - Protocol relating to the Status of Refugees (objective 9)
  - Declaration on the Rights of Disabled Persons (objective 9)
  - Geneva Convention relative to the Protection of Civilian Persons in Time of War (objective 2)
  - The OECD Convention on Combating Bribery of Public Officials
  - Convention on Protection of Rights of Migrant Workers (entered into force on 1 July 2003) (objective 3)

## 2.2. **Regional Instruments and Standards**

- The Constitutive Act of the African Union (2000) (all objectives)
- The African Charter on Human and Peoples Rights (1990) (objectives 2, 3, 7, 8 and 9)
- Grand Bay (Mauritius) Declaration and Plan of Action for the Promotion and Protection of Human Rights (1999) (objectives 2 and 3)





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- The Durban Declaration on Principles Governing Democratic Elections in Africa (2002) (objective 2)
  - The AU Declaration on Democracy, Political, Economic and Corporate Governance (objectives 2, 5, 6)
  - The AU Convention on Preventing and Combating Corruption (objectives 5 and 6)
  - The AU Peace and Security Protocol (objective 1)
  - African Charter on the Rights and Welfare of the Child (1990) (objective 8)
  - The African Platform on the Right to Education (1999)
  - The OAU Refugee Convention of 1969 (objective 9)
  - Protocol on the Rights of Women in Africa (2003) (objective 7)
  - Cairo Declaration on the Establishment, Within the OAU, of the Mechanism for Conflict Prevention, Management and Resolution (1993) (objective 1)
  - The Memorandum of Understanding (MOU) of the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA) Solemn Declaration (2000) (objective 2)
  - Declaration on Framework for an OAU Response to Unconstitutional Changes of Governments (2000) (objective 2)
  - The Declaration and Plan of Action on Control of Illicit Drug Trafficking and Abuse in Africa (2002) (objective 1)
  - The NEPAD Framework Documents (all objectives)



### 3. QUESTION RELATING TO STANDARDS AND CODES

**To what extent has the country taken measures to sign, ratify, adopt and comply with these standards?**

#### INDICATORS

- (i) Present evidence of signature, ratification or accession to any of the above standards and codes where applicable.
- (ii) List the steps being taken to complete ratification and compliance of any of these codes and standards deemed appropriate to your country's circumstances.
- (iii) Outline other legislative, policy or institutional frameworks that have been put in place to implement any of the issues covered by the above standards and codes in a manner that more suitably addresses your country's requirements and priorities.
- (iv) Outline the challenges experienced and the steps taken to address shortfalls and capacity constraints.

### 4. PRIOR EVALUATIONS AND ASSESSMENTS

- 4.1. Please provide copies of any official evaluations and assessments your country has undertaken in the area of *Democracy and Political Governance* which may usefully assist in compiling the country self-assessment.
- 4.2. Please provide copies of any other surveys or reviews in relation to the area of *Democracy and Political Governance* that you feel may usefully contribute to the country's self-assessment.

## 5. QUESTIONS RELATING TO OBJECTIVES

### **OBJECTIVE ONE: Prevention and reduction of intra- and inter-state conflicts**

**QUESTION 1: What are the recent or on-going conflicts in your country and the sources of these?**

#### **INDICATORS**

- (i) Outline the factors that cause or are potential sources of conflicts that may impact on your country's peace, stability and security (internal sources of conflict), including but not limited to:
- Drug trafficking,
  - Organised crime,
  - Economic inequality and wealth distribution,
  - Illicit arms trade,
  - Ethnic, religious and other diversities,
  - Refugees and internally displaced persons;
- (ii) List the key sources of conflict between your country and the neighbouring countries.

**QUESTION 2: What mechanisms exist for preventing, reducing, and managing conflicts in your country or region and how effective are these mechanisms?**

### **INDICATORS**

- (i) Provide evidence of country's efforts in terms of legal provisions, institutions and resource allocation in managing diversities including but not limited to regional, ethnic, religious and economic inequality;
- (ii) Describe the country's efforts in promoting peaceful relations with its neighbours, including but not limited to managing its borders and resolving other cross-border disputes;
- (iii) Provide evidence of an early warning system and other intervention mechanisms with respect to intra- and inter-state conflicts;
- (iv) Assess the effectiveness of the mechanisms in place and measures that have been taken to sustain progress in conflict and post-conflict management (monitoring, evaluations and follow-ups).

*"Recent" here connotes within the last 5-10 years but should be flexibly interpreted in the context of the country's history.*

*"Diversity" relates to regional, ethnic, religious, gender, economic and other diversities.*

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: To what extent have regional and sub-regional organisations been involved in intra- and inter-state conflict resolution affecting your country?**

### **INDICATORS**

- (i) Enumerate the regional and sub-regional institutions active in conflict resolution in your country, and examples of conflicts they have intervened in or resolved;



- (ii) Assess the effectiveness of these organisations and authorities in preventing and managing conflicts, maintaining peace, security and stability;
- (iii) Describe the challenges faced by these organisations in seeking to play a role in conflict resolution and the steps being taken to mitigate these challenges.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE TWO: Constitutional democracy, including periodic political competition and opportunity for choice, the rule of law, citizen rights and supremacy of the Constitution**

**QUESTION 1: In your judgment, does the political system as practiced in your country allow for free and fair competition for power and the promotion of democratic governance?**

**INDICATORS**

- (i) Outline the individual and collective political rights and mechanisms and institutions to protect them;
- (ii) Outline the legal provisions and regulations governing political association in your country;
- (iii) Assess the effectiveness of these provisions and regulations with respect to the viability of the party, taking into account amongst other things membership, policies and resource allocation for political parties in the country;
- (iv) Describe your electoral system, providing relevant legal and institutional provisions as appropriate;
- (v) Assess the effectiveness of the electoral system in terms of its capacity to deliver results that are adjudged to be broadly free and fair;

- (vi) Provide reports produced by governmental sources and other sources on recent elections held in your country;
- (vii) Provide evidence of recent contentious electoral cases and how they were resolved by the courts.

*"Recent" here connotes within the last 5-10 years  
Please give detailed explanations with supporting material where applicable*

**QUESTION 2: What weight do provisions establishing the rule of law and the supremacy of the Constitution carry in practice?**

**INDICATORS**

- (i) Identify the relevant legal provisions that establish the rule of law and affirm the supremacy of the Constitution and describe the procedures for amending your country's Constitution;
- (ii) List institutions tasked with enforcing these provisions and assess the effectiveness of these institutions, through recent cases/reports.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: How and to what extent is decentralisation effected in your country?**

**INDICATORS**

- (i) Identify the relevant legal provisions (if any) for decentralisation and the autonomy of decentralised entities;

- (ii) Assess the effectiveness of the decentralisation mechanisms in terms of decision-making, resource allocation, institutional capacity, service delivery and outline measures taken to address the shortcomings.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 4: How has decentralisation contributed to the quality of governance?**

**INDICATORS**

- (i) Provide evidence of improved broad participation of people at the grass root levels due to decentralisation;
- (ii) Give evidence of improved accountability of the decentralised entities to stakeholders.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 5: Are the security services subject to the rule of law and the oversight of civil authorities?**

**INDICATORS**

- (i) Provide evidence of the legal provisions and procedures for the accountability of the security services to democratic institutions of government, especially the judiciary and legislature;
- (ii) Assess the effectiveness of the oversight role of civil authorities over the budget and the use of security services.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE THREE: Promotion and protection of economic, social and cultural rights, civil and political rights as enshrined in African and international human rights instruments**

**QUESTION 1: What measures have been put in place to promote *and* protect economic, social, cultural, civil and political rights?**

**INDICATORS**

- (i) Identify legal provisions that recognise and guarantee each of these the rights including but not limited to the right to:
- Equal access to employment,
  - Education,
  - Health,
  - Freedom of speech,
  - Freedom of religion,
  - Accessible and affordable housing for the ordinary citizen;
- (ii) Assess the effectiveness of legal provisions and mechanisms put in place to promote and protect these rights;
- (iii) Provide evidence of major cases of violations of citizen rights and liberties entertained by the courts over the preceding five years.

*Please give detailed explanation with supporting material where applicable*



**QUESTION 2: What steps have been taken to facilitate equal access to justice for all?**

**INDICATORS**

- (i) Provide evidence of legal provisions and institutions/mechanisms set up to facilitate access to justice, including fees, proximity of courts, legal education and legal Aid;
- (ii) Provide details of alternative dispute resolution mechanisms (if any) that may be available or in operation;
- (iii) Give details of measures taken to sustain progress (training, monitoring, evaluation, adjustment);
- (iv) Provide evidence of any prior official assessment (within the last 5-10 years) of the justice system to establish the level of access.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE FOUR: Uphold the separation of powers, including the protection of the independence of the judiciary and of an effective legislature**

**QUESTION 1: What are the constitutional and legislative provisions establishing the separation and balance of powers among the Executive, the Legislature and the Judiciary branches of government?**

**INDICATORS**

- (i) Provide evidence of constitutional and legislative provisions establishing and guaranteeing the separation of powers;
- (ii) Describe the mechanisms (if any) to resolve conflicts between the branches of government;

- (iii) Assess the effectiveness of the separation of powers and mechanisms for checks and balances.

*Please explain and provide evidence of any conflict that was resolved by this mechanism*

**QUESTION 2: To what extent is the judiciary independent?**

**INDICATORS**

- (i) Provide evidence of legal provisions establishing the independence of the judiciary, including but not limited to: resource allocation, and procedure for appointment, determination and security of tenure, promotion, remuneration and sanction of judicial officers;
- (ii) Assess the degree of independence of the judiciary and provide evidence to support your assessment;
- (iii) Provide details of any official assessment or prior survey on the independence of the judiciary.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: How would you rate the independence of the legislative body in your country?**

**INDICATORS**

- (i) Provide evidence of legal provisions and resource allocation establishing the independence of the legislature; including but not limited to the initiating of bills, proposing amendments (including amendments to the budget), and opportunity to question executive action;
- (ii) Provide an assessment of the independence of the legislature and give details of reports of any official assessment;

- (iii) Describe measures taken to sustain progress (training, evaluation, available reports).

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE FIVE: Ensure accountable, efficient and effective public office holders and civil servants**

**QUESTION 1: What measures have been taken in the country to strengthen institutions for an efficient and an effective public service?**

**INDICATORS**

- (i) Provide details of legal provisions, institutions and resource allocation for an efficient and effective civil service;
- (ii) Provide evidence of administrative reform to improve public service delivery and measures taken to sustain progress;
- (iii) Describe the mechanisms of promoting the evaluation of civil service delivery including the opportunity for citizens to express their opinion on the quality of service delivery;
- (iv) Provide evidence to support your assessment including any official report on the efficiency and the effectiveness of public service delivery.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: To what extent does the country have a transparent system of recruitment, training, promotion, management and evaluation of civil servants**

**INDICATORS**

- (i) Outline the legal provisions, procedures and institutions for recruiting, promoting, managing and evaluating civil servants;
- (ii) Give evidence of incentives for rewarding well-performing civil servants;
- (iii) Provide evidence of cases of disciplinary sanctions, including dismissal and prosecution of civil servants related to the shortcomings of service delivery;
- (iv) Give evidence of measures taken to sustain progress (monitoring, evaluation, training).

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE SIX: Fighting corruption in the political sphere**

**QUESTION 1: What is the state of corruption in the country?**

**INDICATORS**

- (i) Provide an assessment of the overall perception of corruption in your country;
- (ii) Provide evidence to support your assessment including any official reports on the assessment of the state of corruption in your country.

*Please give detailed explanation with supporting material where applicable*



**QUESTION 2: What measures and actions have been taken to combat corruption in the political sphere and with what results?**

### **INDICATORS**

- (i) Describe the legal and institutional measures that have been taken to combat corruption, including but not limited to: requirements for declaration of assets; establishment of specialised anti-corruption entities and the procedure of appointment of the heads of these entities;
- (v) Give details of the major cases of alleged corruption prosecuted and disciplinary sanctions taken over the past five years.

*Please give detailed explanation with supporting material where applicable*

### **OBJECTIVE SEVEN: Promotion and protection of the rights of women**

**QUESTION 1: What measures have been taken to promote and protect the rights of women in the country?**

### **INDICATORS**

- (i) Provide details of the legal provisions that articulate and guarantee the rights of women in the country and mechanisms to enforce these rights including but not limited to resource allocation, affirmative action and mainstreaming gender equality;
- (ii) Assess the effectiveness of these measures and outline the challenges faced;
- (iii) Provide details of measures taken to sustain progress (training, evaluation and monitoring);

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- (iv) Provide any official reports on the assessment on the status of women in the country.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: What measures have been put in place enhance the participation of women in the society?**

**INDICATORS**

- (i) Provide evidence of any legal provisions, institutions, national or local programmes or policies to enhance women's role in society, including participation in politics and leadership positions;
- (ii) Provide evidence of the number and percentage of women appointed over the past 5 years to decision-making positions, including the number of women elected to the parliament and local authorities;
- (iii) Describe the challenges faced and measures taken to sustain progress.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE EIGHT: Promotion and protection of the rights of children and young persons**

**QUESTION 1: What concrete measures have been taken to promote and protect the rights of the child and young persons?**

**INDICATORS**

- (i) Provide details of legal provisions, measures and policies that promote and protect the rights of children and young persons including but not limited to:
- Health, care and welfare;
  - Child Education;
  - Custody and Guardianship;
  - Right to seek and receive information aiming at promoting its social, spiritual, physical and mental well-being;
  - Measures against all types of child abuse including child slavery and child labour, child prostitution and child pornography;
- (iii) Assess the effectiveness of these measures in terms of trends in the overall improvement of the status of children and young persons in the country over the past five years;
- (vi) Provide evidence of measures taken to sustain progress (training, monitoring, follow up actions, adjustment, reports available).

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE NINE: Promotion and protection of the rights of vulnerable groups including internally displaced persons and refugees**

**QUESTION 1: What measures has the country taken to promote and protect the rights of vulnerable groups including refugees, internally displaced persons and disabled persons?**

**INDICATORS**

- (i) Provide evidence of legal provisions, institutions and resource allocation in place to promote and protect the rights of vulnerable groups and refugees, including rehabilitation programmes, health, education, housing and initiatives to integrate such vulnerable groups to the mainstream society;
- (ii) Assess the effectiveness of the measures and give details of any violation and reports available;
- (iii) Provide details of the measures taken to sustain progress (monitoring, training, evaluation and adjustment).

*Please give detailed explanation with supporting material where applicable*





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## SECTION 2

### ECONOMIC GOVERNANCE AND MANAGEMENT

#### Definition

In the Declaration on Democracy, Political and Economic Governance, African countries recognise that "good economic governance including transparency in financial management are all essential prerequisites for promoting economic growth and reducing poverty".

It is the firm belief of the participating Heads of State and Government of the member states of the AU that the promotion of market efficiency, control of wasteful spending, consolidation of democracy and the encouragement of private financial flows are critical aspects of the quest to reduce poverty and enhance sustainable development on the continent.

## 1. INTRODUCTION

The African crisis is generally viewed as a political crisis with economic consequences. It should, however, be acknowledged that the economic disorder of African countries over the past decades may have aggravated the political turmoil and further deteriorated the living conditions of large segments of African populations.

The economic disorder of Africa has both internal and external dimensions. These include, among others: inefficient revenue mobilisation and aid dependency; weak central banks and inefficient financial sectors; non-transparent budgetary procedures and ineffective oversight by parliamentary and other auditing bodies; unfriendly environment for private investments, characterised by pervasive corruption, poor economic infrastructures, and unpredictable public administrations.

The first objective of Public Economic and Financial Management is to promote macro-economic stability, which is considered as a necessary condition for sustainable development. However, macro-economic stability is not sufficient to ensure continuous improvement in the living conditions of the people. On the other hand, economic and financial management cannot promote sustainable development, unless the economic policies pursued are transparent and credible inside and outside the country. To meet this diversity of concerns, the Questionnaire on Economic Governance and Management revolves around the following objectives:

- Promote macro-economic policies that support sustainable development;
- Implement transparent, predictable and credible government economic policies;
- Promote sound public finance management;
- Fight corruption and money laundering;
- Accelerate regional integration by participating in the harmonisation of monetary, trade and investment policies among the participating states.



To track progress made toward achieving these objectives, the participating countries in the APRM have approved a number of internationally recognized codes and standards including among others: Codes of Good Practices on Transparency in Monetary and Financial Policies; Code of Good Practices on Fiscal Transparency; Best Practices for Budget Transparency; Guidelines for Public Debt Management and Core Principles for Effective Banking Supervision.

As a result, the first item in the Questionnaire is the question regarding the compliance of the country with the agreed codes and standards. Thereafter, substantive questions are raised as to what measures are taken by the country to achieve the above listed 5 objectives, and what is the impact of these measures. Key questions address issues such as:

- The soundness of the macro-economic policies;
- Sector policies to promote sustainable development;
- Resource mobilization;
- Vulnerability to internal and external shocks;
- Effectiveness and transparency of public administrations;
- Soundness of public finance management;
- Institutional capacity;
- Fiscal decentralization;
- Measures to fight corruption and money laundering, and impact;
- Measures for regional integration and monetary cooperation.

*A number of basic and factual indicators are proposed to help answer each of the questions set out in this Section. In some cases the assessment is conducted only against quantitative indicators. For example, the soundness of the macro-economic policies is assessed against quantitative indicators, such as: average inflation rate over the past 5 years; real Gross Domestic Product growth over the past 5 years; the Debt service ratio; fiscal deficit. In other cases, the questionnaire only offers qualitative indicators to capture the complexity of the issues, including the assessment for instance of the effectiveness and transparency of public administrations, the soundness of public finance management, and the effectiveness of fiscal decentralisation.*

*However, in a number of cases, including sectoral policies and resource mobilisation, the questionnaire is designed in such a manner that it contains both quantitative and qualitative indicators. For instance, the quality of the country's sectoral policies is assessed against not only real output per sector and growth in employment per sector over the past 5 years, but also on the ground of measures taken to promote gender equality, social and environmental sustainability, as well as job creation.*

*Kindly answer each question in terms of the indicators proposed. Additional indicators considered appropriate may be used. Kindly document the data sources for verifying your answers. For quantitative indicators, please enter the value of the indicator. For qualitative indicators please provide a brief, clear summary statement. For both, kindly provide any elaboration considered necessary and references to the data sources.*

*Please answer the first question with respect to the standards and codes listed. Please feel free to add standards or codes that are not included herein as the list is not exhaustive.*

## **2. STANDARDS AND CODES**

- NEPAD Framework Document (2001)
- Constitutive Act of the African Union (2000)
- Code of Good Practices on Fiscal Transparency
- Guidelines for Public Debt Management



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- International Standards in Auditing
  - International Accounting Standards
  - Code of Good Practices on Transparency in Monetary and Financial Affairs
  - Principles for Payment Systems
  - Core Principles for Security and Insurance Supervision and Regulations
  - Core Principles for Effective Banking Supervision
  - African Union Conventions on Preventing and Combating Corruption
  - Abuja Treaty establishing the African Economic Community (1991)
  - Best Practices for Budget Transparency
  - Principles of Corporate Governance (international and national)
  - Relevant Treaties, Conventions and Protocols of Regional Economic Communities

### 3. QUESTION RELATING TO STANDARDS AND CODES

**QUESTION: To what extent has your country signed, ratified and complied with the above codes and standards?**

#### INDICATORS

- (i) Present evidence of signature, ratification or accession to any of the above standards and codes where applicable.
- (ii) Describe measures in terms of legislation, policies and programmes, institutional development and resource allocation that the country has taken to adopt, implement and comply with the above standards.



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- (iii) Describe progress in achieving standards or objectives in terms of appropriate result indicators.
  - (iv) Outline the challenges experienced and the steps taken to address shortfalls and capacity constraints.

#### 4. PRIOR EVALUATIONS AND ASSESSMENTS

- 4.1. Please provide copies of any official evaluations and assessments your country has undertaken in the area of *Economic Governance and Management* which may usefully assist in compiling the country self-assessment.
- 4.2. Please provide copies of any other surveys or reviews in relation to the area of *Economic Governance and Management* that you feel may usefully contribute to the country's self-assessment.

#### 5. QUESTIONS RELATING TO OBJECTIVES

**OBJECTIVE ONE: Promote macroeconomic policies that support sustainable development (See note below)**

*NOTE: The questionnaire on socio-economic development contains more detailed questions on measures taken and progress made towards sustainable development. This section therefore only focuses on the consistency of economic policies with the NEPAD objectives of sustainable development.*

**QUESTION 1: To what extent is your country's macroeconomic policy framework sound and supportive of sustainable development?**

#### INDICATORS

- (i) Assess macroeconomic developments in your country with respect to the following indicators:
  - Average trend in inflation over the past 5 years,
  - Real GDP growth per capita over the past 5 years,

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- Debt servicing ratio to revenue, share of domestic debt to total debt, total debt to exports, total debt to GDP,
  - Fiscal deficit to GDP,
  - Share of fiscal deficit financed by the Central Bank over the past 5 years,
  - Share of total budget allocated to social sectors,
  - Credit to both private and public sectors over the past 5 years;
- (ii) Describe steps taken by the country to make the macroeconomic framework sound and supportive of sustainable development including measures to monitor and make impact assessments;
- (iii) List the key challenges to the country's macroeconomic framework, the reasons for thereof and the steps taken to address these challenges.

*Additional indicators may be used so long as they are relevant in assessing macroeconomic developments of your country*

**QUESTION 2: On what basis does the Government formulate macroeconomic projections?**

**INDICATORS**

- (i) Describe (briefly) the processes and methods used to make macroeconomic projections;
- (ii) Give evidence of the effectiveness of these processes with reference to the following:
- Variance in projections of key macroeconomic variables for the past 5 years,
  - Degree to which macroeconomic projections have been achieved for the past 5 years,



- Adequacy and reliability of macroeconomic statistics;
- (iii) If current projections for real GDP growth and government revenue for the next year are higher than what was realised for the past 5-10 years, give reasons thereof;
- (iv) Describe the extent to which the Government takes account of independent advice/analysis in assessing the macroeconomic outlook and provide any independent reports of macroeconomic outlook.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: What sectoral or microeconomic policies has your country developed and implemented to promote economic growth and sustainable development?**

### **INDICATORS**

- (i) Provide an outline of the sectoral or microeconomic policies and programmes adopted and implemented in support of sustainable development;
- (ii) Describe measures taken to target gender equality, environmental sustainability and employment creation in sectoral and microeconomic policies and programmes;
- (iii) Give evidence of progress made towards sustainable development with respect to the following indicators:
- Growth in employment per sector for the past 5 years,
  - Out put of key economic sectors for the past 5 years,
  - Socio-economic development indicators including but not limited to health, education, HIV AIDS and housing.

*Additional indicators may be used so long as they are relevant in assessing macroeconomic developments of your country*



**QUESTION 4: What has your country done to increase domestic resource mobilisation including public and private savings and capital formation, and reduce capital flight?**

### **INDICATORS**

- (i) Outline key measures taken in terms of legislation, policies, programmes and institutional development to promote domestic resources mobilisation, and deepen financial intermediation;
- (ii) Assess the effectiveness of these measures with respect to:
  - M2/GDP,
  - Fiscal Revenue/GDP,
  - Average private and public savings GDP ratio over the past five years,
  - Capital formation GDP ratio for the past 5 years,
  - Share of population with access to finance, including micro-finance, and to saving facilities.
- (iii) Outline the key challenges in this regard and the steps taken to address any shortfalls.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 5: To what extent is your country vulnerable to internal and external shocks?**

### **INDICATORS**

- (i) Describe the prevalence and magnitude of shocks experienced to the economy over the past 5 years with reference being made to the following indicators:

- Level and variation in the current account balance,
  - Export and import diversification measures,
  - Terms of trade for the past 5 years,
  - Changes in net foreign assets,
- (ii) Outline steps taken to reduce your country's vulnerability to internal and external shocks.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

## **OBJECTIVE TWO: Implement sound, transparent and predictable government economic policies**

**QUESTION 1: What has your country done to make the public administration, legislative system and fiscal authorities work effectively and in a transparent manner?**

### **INDICATORS**

- (i) Outline key measures taken in terms of legislation, policies and programmes, institutional development and resource allocation to ensure the effective and transparent functioning of the abovementioned entities;
- (ii) Provide evidence of the effectiveness and transparency of these entities with respect to the following indicators:
- Timeliness, comprehensiveness and frequency in dissemination of information on the core activities of these entities,
  - Existence of procedures including legislation to conduct external and internal assessments of the activities of these entities;

- (iii) Outline the main challenges relating to making these entities transparent and effective and list efforts to address capacity shortfalls and other constraints.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: What measures has your country taken to make economic policies predictable?**

**INDICATORS**

- (i) Outline key provisions and processes established to ensure consultation with all stakeholders in economic policy-making;
- (ii) Describe the process adopted in formulating and monitoring economic policies;
- (iii) Describe measures taken to ensure awareness in your country of national economic policies, their implementation and progress made.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

**QUESTION 3: What are the main challenges that the country faces with respect to coordinating the efforts of various departments in implementing sound, transparent and predictable economic policies?**

**INDICATORS**

- (i) Describe (briefly) any provisions establishing collaboration between government departments and with sub-national authorities in implementing economic policies and programmes at national and sub-national levels;

- (ii) Assess the current status of coordination and capacity development within relevant departments in implementing sound, transparent and predictable economic policies, with reference to the following:
- The timeliness and reliability of resource transfers to spending Ministries and agencies from the central fiscal authorities,
  - Frequency with which public projects and programmes are abandoned;
  - Absorptive capacity of spending Ministries and agencies.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

### **OBJECTIVE 3: Promote sound public finance management**

#### **QUESTION 1: What has your country done to promote sound public finance management?**

#### **INDICATORS**

- (i) Outline key measures taken (in terms of legislation, policies and programmes, institutional development and resource allocation) to implement a predictable medium-term fiscal framework;
- (ii) Assess the current status of public finance management with respect to the following:
- Actual expenditure and revenue out-turn to targets in national annual budgets, annually for the past 5 years,
  - Extent to which Government accounts for, monitors and reports publicly on revenue and expenditures,
  - Nature of public debate and national oversight functions over Government's fiscal operations,

- Legal provisions,
  - Time allowed for parliamentary appraisal and approval of budgetary proposals,
  - Number of amendments adopted by the Parliament to the draft budget;
- (iii) Outline the challenges encountered in adopting and implementing a predictable medium-term fiscal framework and efforts to address these constraints.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

**QUESTION 2: What measures have your country taken to develop an effective system of fiscal decentralisation?**

*NOTE: Only fiscal decentralisation is addressed in the Economic Governance questionnaire. The Democracy and Political Governance questionnaire contains further questions about the measures taken to ensure effective and efficient decentralisation. The Socio-Economic Development questionnaire looks at decentralisation within the context of popular participation in socio-economic development.*

**INDICATORS**

- (i) Describe (briefly) the legal provisions and policies establishing a system of decentralisation between national and sub-national authorities in your country;
- (ii) Assess the effectiveness of this system with respect to the following:
- Degree of consistency of policies and programmes initiated by sub-national authorities with the development challenges of the particular geographical area,
  - Capacity of sub-national authorities to generate (if applicable) and manage fiscal resources, and plan and implement economic policies;

- (iii) List the key challenges encountered by your country in implementing an effective system of decentralisation.

*Please give detailed explanation with supporting material where applicable*

#### **OBJECTIVE 4: Fight corruption and money laundering**

*NOTE: Corruption in the public administration includes irregularities in the use of public finances, including irregularities in procurement in the public sector and other forms of outsourcing involving public finances, or bribes paid in exchange for public services. Corruption in the political sphere is addressed in the Democracy and Political Governance questionnaire and corruption involving state-owned and private corporations is covered in the Corporate Governance questionnaire.*

**QUESTION 1: What is the prevalence of corruption in the public administration in your country and what measures have been taken in this regard?**

#### **INDICATORS**

- (i) Describe (briefly) the root causes and magnitude of corruption in the public administration;
- (ii) Give evidence of progress made to fight corruption with respect to the following indicators:
- Existence of legal provisions establishing clear and enforceable procurement rules in the public sector,
  - Existence of legal provisions establishing a national Code of Conduct of civil servants including regular disclosure of assets,
  - Cases of corruption in the public sector assessed by an Ombudsman, Parliamentary Accounts Committee, or other relevant authority in the past 5 years,
  - Follow-up action including prosecutions of cases of corruption for the past 5 years;

- (iii) Outline the key challenges encountered in fighting corruption in public administration and efforts to address these challenges.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: What is the prevalence of money laundering in your country?**

**INDICATORS**

- (i) Outline key measures taken in terms of legislation, policies and programmes, institution development and resource allocation to combat money-laundering in your country;
- (ii) Give evidence of progress made in building capacity to fight money-laundering with respect to the following:
- Cases of money-laundering in the past 5 years,
  - Follow-up action including prosecutions of cases of money-laundering in the past 5 years;
- (iii) Outline the challenges encountered in combating money laundering and efforts to address these challenges.

*Please give detailed explanation and additional indicators may be included to better reflect country-specific circumstances and experiences*

**OBJECTIVE 5: Accelerate regional integration by participating in the harmonisation of monetary, trade and investment policies**

**QUESTION 1: Is your country a member of any regional economic integration arrangement and what are the benefits and challenges of such membership? (If not, please go to question 2 of objective 5)**

**INDICATORS**

- (i) Give year of accession and name of any regional economic integration arrangement to which your country is a member;
- (ii) Give a brief assessment of the benefits of your country's participation in this/these regional economic integration arrangement(s);
- (iii) List the challenges and lessons-learned from participating in these regional economic integration arrangements.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

**QUESTION 2: What measures has your country taken to ensure that national policies, including policies in respect of intra-African trade and investment promotion, are consistent with and supportive of regional economic integration objectives?**

**INDICATORS**

- (i) Describe (briefly) the national economic policies, including policies on intra-African and investment promotion;
- (ii) Assess the degree to which national policies are consistent with and supportive of regional economic integration objectives with respect to the following indicators:



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- Consistency between national policy objectives and regional economic integration objectives,
  - Growth in intra-regional trade volumes,
  - Growth in intra-African investment flows;
- (iii) List the main challenges encountered and lessons learnt.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

**QUESTION 3: What measures have your country taken to ensure effective implementation of decisions and agreements made within regional economic integration arrangements?**

### **INDICATORS**

- (i) Outline the measures taken in terms of legislation, policies, institution development, coordination, capacity building and resource allocation to facilitate effective implementation of decisions and agreements made within regional economic integration arrangements;
- (ii) Assess the timeliness of adoption and implementation of regional decisions and agreements at the national level in your country;
- (iii) List key capacity building constraints and efforts made to address these.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*



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**QUESTION 4: Has your country adopted measures to promote regional monetary harmonisation, cooperation and coordination?**

**INDICATORS**

- (i) Outline the measures taken in terms of legislation, policies, institution development, capacity building and resource allocation to promote regional monetary harmonisation, cooperation, and coordination;
- (ii) Assess the progress made with respect to compliance with regional agreements, treaties and protocols on monetary harmonisation, cooperation and coordination;
- (iii) Outline the benefits and challenges and elaborate on the steps taken to address the constraints.

*Please give detailed explanation and additional indicators may be included to better reflect country-specific circumstances and experiences*

## SECTION 3

### CORPORATE GOVERNANCE

#### Definition

Corporate Governance is a system by which corporations are directed, controlled and held to account. It embraces all forms of enterprise in the private and public sector.

Good corporate governance provides a level of disclosure and transparency regarding the conduct of corporations, their boards and directors that enables the supervision of their accountability while ensuring that: they comply with their legal obligations and remissions; are accountable to shareholders and responsible to stakeholders including employees, suppliers, creditors, customers and communities; and act responsibly regarding the environment.

Good Corporate Governance has seven distinguishing characteristics: discipline, transparency, independence, accountability, responsibility, fairness and social responsibility. These traits are important because they increase investor confidence, making it easier for corporations to raise equity capital and finance investment. Africa is a continent that has historically attracted very little investment, it is hoped that improved corporate governance on the continent especially when done in the context of wider economic and systemic governance will enhance the confidence of investors both domestic and foreign. Furthermore, most economies in Africa rely on agriculture, mining and other extractive industries that have adverse effects on the environment. In addition abject poverty, hunger and the scourge of pandemics such as HIV/AIDS, Malaria and Tuberculosis afflict many of our communities. What this means is that the concepts of corporate citizenship and corporate social responsibility have to be complied with to ensure that corporations manage the environment sustainably and impact positively on the communities within which they operate.



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## 1. INTRODUCTION

The vision of NEPAD is to eradicate poverty and place African countries individually and collectively on the path to sustainable growth and development. This calls for sustainable production and creation of wealth through well-governed and competitive entities whether they are public or private enterprises. In an effort to enhance the quality of good corporate governance in corporations in Africa, Heads of State and Government of the participating states adopted five broad objectives and a number of codes and standards to guide Corporate Governance reform in Africa:

### 1.1. **Promoting an Enabling Environment and Effective Regulatory Framework for Economic Activities**

This objective focuses on the legal and administrative measures that are in place to facilitate economic activities. Primary analysis under this objective aims to assess the effectiveness of both government authorities (particularly in the banking, insurance and securities market) and self regulatory authorities (including any stock exchange, professional and trade associations) in regulation, monitoring and supervision.

Discussions under this objective to date have however often highlighted issues relating to peace and security, efficiency of the judiciary and prosecuting authorities including the police, infrastructural and human resource development as impacting on the provision of an enabling environment for economic activities. As pointed out earlier, there are four focus areas of the APRM including Democracy and Political Governance and Socio-economic Development that deal with these issues in-depth. We do however in this section flag and appreciate related issues that are primary to the performance of business activities for example: independence, capacity and efficiency of the judiciary in enforcing commercial law; efficient communication systems and access to information; and availability of skilled professionals in areas relevant to good corporate governance e.g. accountants and auditors, lawyers, company secretaries, etc.

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1.2. **Ensuring that Corporations Act as Good Corporate Citizens with regard to Human Rights, Social Responsibility and Environmental Sustainability**

This objective addresses three main issues: human rights including adherence to labour obligations, social responsibility, and matters relating to the environment.

Some of the specific issues covered include: employee rights, provision of safe working environment and fair wages; the degree of corporations' responsiveness to community needs including focus on issues such as health (HIV/AIDS, Malaria, Tuberculosis (TB), Yellow Fever), education and skills development; and responsible behaviour with regard to the environment including environmental rehabilitation projects, environmental impact assessments, recycling and use of clean technology.

1.3. **Promoting Adoption of Codes of Good Business Ethics in Achieving the Objectives of the Corporation**

The King II Report has defined business ethics as the “principles, norms and standards that guide an organisation’s conduct of its activities, internal relations and interactions with external stakeholders.” Under this objective, self-regulation and the development of voluntary codes on business ethics by the public and private sector, the observance and enforcement of these codes by the concerned bodies, is some of the indicative criteria sought.

Other issues that are considered under this objective include mechanisms for sanctioning ethics violators and their effectiveness. Another important issue that has been raised relates to access to information on corporations in the private and public sectors including the independence and freedom of the media and the quality of financial and investigative journalism and other features that serve to look after the so-called “public interest”.

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1.4. **Ensuring that Corporations treat all their Stakeholders including Shareholders, Employees, Communities and Suppliers fairly**

This objective addresses the corporate governance concepts of accountability to shareholders and responsibility to stakeholders. Questions cover shareholder rights including the right to convey or transfer shares, obtain relevant information on the corporation on a timely and regular basis, participate and vote in general shareholder meetings, elect members of the board and share in the profits of the corporation, and mechanisms for shareholders to seek redress in case of violation of their rights. While some of these issues may not always be directly relevant to public sector corporations, issues of public accountability for efficient and economic services by public utilities are critical and relevant considerations as well in the context in which these issues should be considered.

The objective also focuses on legislation or codes of conduct governing the direct relationship between stakeholders and corporations for example, trade unions, consumer legislation, creditors rights and bankruptcy laws and the level of compliance with, and enforcement of, such legislation and codes; interactions between stakeholders and corporations; access to information; and rights of participation by stakeholders in relevant fora.

Examples of conduct that may show a corporation's treatment and relations with its stakeholders include product recalls, false advertising, price fixing and anti-trust suits, labour strikes and community protests, number, level and frequency of corporate bankruptcies, etc.

1.5. **Providing for Accountability of Corporations, Directors and Officers**

This objective relates to the effectiveness of the corporate governance framework regulating disclosure requirements, the enforcement thereof and the adequacy of remedies for breach. Examples of relevant issues include auditing, accounting and filing requirements in accordance with internationally accepted requirements and standards, timely and cost effective access to



corporate financial information, and training programmes for directors and officers.

*At the beginning of this Section, the Codes and Standards, which were adopted by the Heads of State and Government as suggestive guides for corporate governance reform in Africa, have been listed. Below these codes are questions relating to the codes. These questions seek to assess not only the level of adoption of international standards and codes but also the extent to which universal codes governing corporate behaviour have been developed, implemented and enforced.*

*Please provide in response to this question pertinent information including the steps the country has taken to implement or comply with the codes (legislative, policy and institutions to support application of such codes) and the challenges in achieving results in light of the specific objectives. Any codes or standards that are not mentioned but are applicable to the country's context with respect to the objective including those developed at national level should also be provided.*

*Kindly answer each question in terms of the indicators proposed. Additional indicators considered appropriate may be used. Kindly document the data sources for verifying your answers.*

## **2. STANDARDS AND CODES**

- NEPAD Framework Document (2001)
- Principles of Corporate Governance (OECD and Commonwealth)
- International Accounting Standards
- International Standards on Auditing
- Core principles of Effective Banking Supervision
- Core principles for Securities and Insurance Supervision and Regulations
- African Charter on Human and Peoples' Rights
- Labour Codes of the International Labour Organisation (ILO)



- Codes on Industrial and Environmental Safety and Hygiene of the World Health Organisation

### 3. QUESTION RELATING TO STANDARDS AND CODES

**QUESTION: To what extent has the country taken measures to sign, ratify, adopt and comply with these standards?**

#### INDICATORS

- (i) Present evidence of signature, ratification or accession for each standard as and when applicable.
- (ii) What steps are being taken to complete ratification and compliance?
- (iii) If your country has not ratified any or all of the above standards and codes, what other legislative, policy or institutional frameworks have been put in place to regulate corporate affairs/governance in the country?
- (iv) Outline the challenges experienced and the steps taken to address shortfalls and capacity constraints.
- (v) Describe progress in achieving standards or objectives in terms of appropriate result indicators.

### 4. PRIOR EVALUATIONS AND ASSESSMENTS

- 4.1. Please provide copies of any official evaluations and assessments your country has undertaken in the area of *Corporate Governance* which may usefully assist in compiling the country self-assessment.
- 4.2. Please provide copies of any other surveys or reviews in relation to the area of *Corporate Governance* that you feel may usefully contribute to the country's self-assessment.



## 5. QUESTIONS RELATING TO OBJECTIVES

**OBJECTIVE ONE: Promote an enabling environment and effective regulatory framework for economic activities**

**QUESTION 1: What are the main categories of commercial enterprise and what is their role in the economy?**

### INDICATORS

- (i) Please describe the main categories of commercial enterprise with reference to:
- The different types of enterprise, their ownership structures and their role in the economy including but not limited to public listed corporations, private listed companies, state owned enterprises, cooperative societies, family owned enterprises, informal sector, etc.,
  - The development history, current size and performance of the country's stock markets (if any);
- (ii) Outline the key financial institutions that support businesses in the country including but not limited to banks, building societies, government agencies, investment schemes, international finance, micro-financing etc.;
- (iii) Please provide an inventory of the domestic investment industry including but not limited to pension funds, mutual funds, banks and insurance corporations foreign investors and the extent of their equity holdings and involvement in the equity market;
- (iv) Enumerate the key professional and business organisations, e.g. chambers of industry, manufacturers' associations, institute of directors, institute of chartered accountants etc.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: What is the regulatory framework for economic activities and to what extent does it facilitate commercial enterprise in the country?**

### **INDICATORS**

- (i) Provide a brief summary of the legal and regulatory framework governing business enterprise in the country including but not limited to listed corporations, unlisted corporations, public corporations and Financial and Banking Institutions;
- (ii) If a stock exchange exists, describe the main requirements for a corporation to become listed, stating the initial requirements and continuing obligations;
- (iii) Provide details of the supervisory authorities that have oversight over commercial activity in the country including the regulatory authorities under which capital markets function;
- (iv) Assess the efficiency and effectiveness of the regulatory framework with reference to:
  - The procedures to be followed in registering, licensing and de-registering corporate entities, making any distinctions as applicable,
  - The clarity and coherence of the law governing corporate behaviour including but not limited to company law, labour laws, tax law, bankruptcy and insolvency laws,
  - The efficiency of the judiciary and the regulators to resolve commercial disputes and prosecute corporate infringements,
  - The sophistication and effectiveness of both government (particularly the banking, insurance and securities markets) and self-regulatory authorities (including any stock exchange, professional and trade associations) in regulation, monitoring and supervision.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: What are the external and internal factors that impact on business activity?**

**INDICATORS**

- (i) Describe the state of available infrastructure in the country e.g. roads, ICT systems, and availability and reliability of energy supply, etc.;
- (ii) Describe previous efforts made by the country to encourage commercial enterprise including but not limited to; investor promotion, small, micro and medium-size corporations, privatisation or commercialisation of public sector entities or parts thereof, capital market rules and over-the-counter share trading facilities, and efforts targeting special enterprise formulation e.g. holdings by women, informal enterprise structures etc.;
- (iii) Enumerate the challenges affecting economic activities in the country and the efforts to address them.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE TWO: Ensure that corporations act as good corporate citizens with regards to human rights, social responsibility and environmental sustainability**

*NOTE: The questionnaire on Democracy and Political Governance contains more detailed questions on human rights. This section therefore focuses mainly on labour laws and the rights of the employees in the workplace.*

**QUESTION 1: Are there measures in place to ensure that corporations recognise and observe human and labour laws?**

**INDICATORS**

- (i) Describe your country's labour laws particularly with regard to:
  - Employee's rights including the rights to unionise,
  - The procedures for handling and settling labour disputes;

- (ii) Assess the level of corporations' compliance with labour laws and human rights provisions with reference to:
- The provision of a safe working environment and fair wages to employees,
  - Corporations' handling of employee disputes, safety issues and matters relating to employee compensation including compensation for injury in the workplace,
  - Number of trade unions, the percentage share of the workforce belonging to a trade union, and the effectiveness of trade unions in resolving labour disputes,
  - Number and frequency of mass industrial and labour disputes and strikes,
  - Citation and prosecution of corporations for labour and human rights violations and details of sanctions imposed.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: To what extent are corporations responsive to the concerns of the communities in which they operate?**

### **INDICATORS**

- (i) Describe the extent to which corporations engage in social and community development programmes, with reference to:
- The level of direct involvement by corporations in the communities in which they operate and their contribution to national developmental objectives and priorities e.g. HIV/AIDS, gender equality, poverty alleviation, commitment to job creation and skills development etc.,

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- The prevalence of multi-sector partnerships (involving corporations, government and civil society) in informing and developing public policy;
- (ii) Provide examples of corporate social responsibility projects or programmes initiated or supported by corporations;
- (iii) Assess the standard of corporate social responsibility obtainable in the country with reference to:
- Corporations' subscription to and implementation of codes of Corporate Social Responsibility and extent to which corporations reporting on social and ethical issues,
  - The relevance of corporations' social responsibility projects and programmes to community needs,
  - Extent of public concern due to activities of any corporation(s) and number and frequency of community protests due to corporate activity,
  - The organisations (including NGOs and civil society) driving the corporate social responsibility agenda and the key interests of the constituents they represent.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: What measures have been put in place to ensure sustainable environmental management on the part of corporations?**

### **INDICATORS**

- (i) Briefly outline the experiences in your country with regard to environmental degradation by corporate activities;
- (ii) Provide evidence of legislation, policies and programmes, institutions and resource allocation to safeguard the environment;

(iii) Assess the effectiveness of these measures with respect to:

- The level to which corporations adhere to sustainable environmental management policies including Environmental Impact Assessment Programmes, use of clean technology, recycling programmes and environmental rehabilitation programmes;
- The number of citations against corporations for environmental degradation, the penalties imposed and the extent to which the 'polluter pays' principle is enforced;
- The extent to which corporations report on their environmental performance especially those in the extractive industry including but not limited to mining and manufacturing concerns.

*Please give detailed explanation with supporting material where applicable*

### **OBJECTIVE THREE: Promote adoption of codes of good business ethics in achieving the objectives of the corporation**

*Note:* The section on Economic Governance deals with money laundering and corruption in public administration. Political corruption is also addressed in the Democracy and Political governance section. This section therefore only addresses these issues as they affect public and private corporations.

**QUESTION 1: What is the overall assessment of the corporate integrity in the country?**

#### **INDICATORS**

- (i) Outline the measures taken to promote good business ethics including but not limited to:
- Development of codes of best practice in the private and public sectors and their application and enforcement;

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- Measures to combat white collar crime including but not limited to insider trading, corruption and money laundering;
  - Role of the media and quality of investigative financial journalism in reporting on economic crimes and ethics violation;
  - Training programmes for professionals such as accountants, lawyers, directors to maintain or enhance standards of conduct.
- (ii) Outline the bodies in the public and private sectors that have been active in promoting adoption of codes of good business ethics in your country (for example, institutes of directors, centres or institutes of corporate governance, or associations of shareholders) and summarise the theme of recent efforts (if any) to promote business ethics in the country;
- (iii) Assess the effectiveness of measures to promote adoption of good business ethics with reference to:
- Effectiveness of regulatory oversight including supervision by professional associations,
  - Success in prosecution of cases of corruption, money laundering, insider trading and other forms of ethics violation and seriousness of penalties imposed including blacklisting and suspension by professional associations,
  - Existence of capacity and appropriate skills for regulatory oversight including number of professionals e.g. accountants, auditors, lawyers, financial and investigative journalists;
- (iv) Provide reports of any prior assessment of the integrity of the corporate sector in your country including assessment on the prevalence of corruption in the sector.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE FOUR:** Ensure that corporations treat all their stakeholders (shareholders, employees, communities, suppliers and customers) in a fair and just manner

**QUESTION 1: To what extent does the corporate governance framework protect shareholder's rights?**

#### **INDICATORS**

- (i) Prepare a schedule setting out the full extent of the rights and powers of all classes of shareholders including non-voting and minority shareholders and outline the relevant laws conferring these rights;
- (ii) Provide details of the mechanisms, institutions, policies and procedures that ensure that different classes of shareholders are treated equitably;
- (iii) Provide details of remedies available to shareholders upon infringement of their rights and assess the effectiveness of these.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: Does the corporate governance framework recognise the rights of stakeholders (other than shareholders)?**

#### **INDICATORS**

- (i) Provide details of legislation, voluntary codes and policies governing direct relations between corporations and different categories of stakeholders e.g. consumer legislation, labour laws, creditors rights, bankruptcy laws, etc.;
- (ii) Assess the effectiveness of the measures enumerated in (i) above in relation to:



- Stakeholders' ability to access relevant corporate information and the types of information available,
  - The frequency of stakeholder representation or stakeholder involvement in committees with corporations and measures that ensure boards of corporations take the interests of stakeholders (e.g. employees, creditors, consumers, suppliers and local communities) into account when making corporate decisions;
- (iii) Describe the mechanisms for stakeholders to seek redress in case of violation of their rights.

*Please give detailed explanation with supporting material where applicable, distinguishing between classes of stakeholders, e.g. employees, creditors, environmental groups, etc*

## **OBJECTIVE FIVE: Provide for accountability of corporations, directors and officers**

**QUESTION 1: Does the corporate governance framework ensure that timely and accurate disclosure is made on all material matters regarding the corporation?**

### **INDICATORS**

- (i) Prepare a schedule of the requirements for disclosure of financial and non-financial information by corporations in the private and public sectors and mechanisms for evaluating, supervising and monitoring compliance;
- (ii) Assess the effectiveness of supervisory authorities in monitoring the compliance of corporations with the prescribed reporting requirements;
- (iii) Provide a description of the sanctions against corporations for non-compliance (e.g. warning, fines, suspension of trading, public reprimand, restatements, civil penalties, criminal penalties, etc.) and evidence of enforcement over the past 5 years;

- (iv) Describe the challenges encountered and efforts to address shortfalls and capacity constraints.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: To what extent are the accounting and auditing standards and practices in line with international standards?**

**INDICATORS**

- (i) Describe the auditing and accounting standards in place in the country and, where appropriate, any material differences with international standards on auditing and accounting;
- (ii) Provide details of the requirements regarding the audit of corporations' annual financial statements, distinguishing between requirements in the private sector and those which apply to the public sector;
- (iii) Discuss the regulation and qualification requirements of the audit profession as well as its oversight and disciplinary role including requirements for the auditors to inform the supervisory authorities and/or the shareholders about any involvement of board members or senior management in illegal activities, fraud or insider abuse.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 3: Does the corporate governance framework ensure the strategic guidance of the corporation, effective monitoring of management by the board (governing or supervisory body) and the board's accountability to the corporation and the shareholders?**

**INDICATORS**

- (i) Describe the predominant structures and characteristics of boards of directors or governing and supervisory bodies in public listed

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corporations, state owned enterprises, small and medium enterprises (if there are regulations for the latter to have Boards) etc;

- (ii) Describe the process for appointment or election of board members, the criteria used to determine eligibility, composition and remuneration of directors, and the key responsibilities of the board;
- (iii) Explain the processes or procedures that ensure the board monitors compliance with the applicable laws (e.g. tax, competition, labour, environmental, equal opportunity, and health and safety laws) including but not limited to frequency of meetings, decision processes, attendance requirements, ethics policies and handling of matters of conflict of interest;
- (iv) Provide an overall assessment of the effectiveness of the board in providing strategic direction, monitoring and accountability to the corporation and shareholders;
- (v) Outline the programmes available for training or development of directors and the extent to which this is used as a basis for board appointments or accreditation for that purpose.

*Please give detailed explanation with supporting material where applicable*

## SECTION 4

### SOCIO-ECONOMIC DEVELOPMENT

#### Definition

Socio-economic development in the light of the NEPAD declaration implies the continuous improvement in the well being and in the standard of living of the people.

The socio-economic development section is intended to highlight efforts and progress made in designing appropriate policies and delivery mechanisms in key social development areas.

Questions are asked on endeavours undertaken by all stakeholders in the country to achieve the socio-economic objectives which are as follows:

- Promote self reliance and build capacity for self sustaining development.
- Accelerate socio-economic objectives to achieve sustainable development and poverty eradication.
- Strengthen policies, delivery mechanisms and outputs in key social development areas including education for all, combating HIV/AIDS and other communicable diseases.
- Ensuring affordable access to water, energy, finance (including microfinance), markets and ICT to all citizens, especially the poor.
- Progress towards gender equality, particularly equal access to education for girls at all levels.
- Encourage broad based participation in development by all stakeholders at all levels.



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## 1. INTRODUCTION

The six socio-economic objectives of the NEPAD declaration deal with issues such as self-reliance in development and accelerated socio-economic development to eradicate poverty. This is in addition to the need to put in place policies and delivery mechanisms in key social development areas, ensuring affordable access to public goods and services, progress towards gender equality and participation in development by all stakeholders.

The issue of self-reliance in development implies ownership and leadership, as well as broad and deep participation by all sectors of society and anchoring the development of the country on its resources and resourcefulness of its people. Ownership and leadership of the development process include issues such as development priorities, origins of the resources mobilised for the implementation of the development programmes and origins of the private investments.

The need to accelerate socio-economic development is vital to the country to address poverty. Poverty eradication may require relief actions to reduce the suffering of the poor and increase their access to social services. In this case, there is a need to know what is being accomplished to ease the access of the poor to food, shelter, health services, education, etc. It also requires actions to increase their capacity to generate income by themselves in order to face their needs.

For the same reason, there is also the need to strengthen policies, delivery mechanisms and outputs in key social development areas. Areas of concern include education, health, HIV/AIDS, child status, gender equity, protection of vulnerable groups, etc. Over the past two decades indeed, social sectors have suffered from economic reforms. This has contributed to the worsening of most social indicators, including declining school enrolment rates, increase in under-five mortality rates, increase in HIV/AIDS prevalence rates, increasing child labour, declining immunisation coverage, increase of child malnutrition rates, etc. Improvement in social indicators is not only a development objective on its own, but also a key impetus for accelerating the development process in the long-term. The reversal of the abovementioned trends is required for sustainable development to be achieved.

Efforts have to be enhanced to ensure affordable access to water, sanitation, energy, micro-finance, markets and ICT to all, especially to rural poor so as to enhance the means of livelihood and reduce poverty. Progress towards gender equality is also required, particularly equal access to education for girls and boys at all levels. Promoting gender equality requires change in legal and customary laws as well as measures to eradicate inequalities due to past policies and social practices. Land ownership, schooling and employment are some of the areas where gender inequalities are frequent.

In order to achieve all the socio-economic development objectives, broad-based participation by all stakeholders at all levels is necessary.

For each of these objectives, questions are raised and indicators meant to address underlying social dynamics and resulting socio-economic impacts on the citizen taking into account gender, scope, inclusiveness and sustainability are provided. The questions and indicators are meant to bring out qualitative and quantitative responses which will help measure or determine progress in critical areas of socio-economic development.

*Kindly answer each question in terms of the indicators proposed. Additional indicators considered appropriate may be used. Kindly document the data sources for verifying your answers. For quantitative indicators, please enter the value of the indicator. For qualitative indicators please provide a brief, clear summary statement. For both, kindly provide any elaboration considered necessary and references to the data sources.*

*Please answer the first question for each of the standards and codes listed. Please feel free to add standards or codes that are not included here as the list is not exhaustive.*

## **2. STANDARDS AND CODES**

- NEPAD Framework Document (2001)
- Right to Development in the African Charter on Human and Peoples' Rights (1981) including the protocol on the Right of Women in Africa
- African Charter for Popular Participation in Development (1990)



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- World Summit on Sustainable Development (WSSD) Johannesburg (2002)
  - United Nations Millennium Declaration (2000)
  - United Nations Declaration on the Right to Development
  - The African Charter on the Rights and Welfare of the Child (1990)
  - World Summit on Social Development Plan of Action (1995)
  - Constitutive Act of the African Union (2000)
  - Convention on the Elimination of all forms of Discrimination against Women (Beijing Platform for Action)

### 3. QUESTION RELATING TO STANDARDS AND CODES

**QUESTION: What measures has the country taken to sign, ratify, adopt and comply with these standards?**

#### **INDICATORS**

- (i) Present evidence of signature, ratification or accession for each standard as and when applicable.
- (ii) What steps are being taken to complete ratification and compliance?
- (iii) If your country has not ratified any or all of the above standards and codes, what other legislative, policy or institutional instruments or frameworks have been put in place to achieve the same or similar objectives?
- (iv) Outline the challenges experienced and the steps taken to address shortfalls and capacity constraints?
- (v) Describe progress in achieving standards or objectives in terms of appropriate result indicators.

#### 4. PRIOR EVALUATIONS AND ASSESSMENTS

- 4.1. Please provide copies of any official evaluations and assessments your country has undertaken in the area of *Socio-economic Development* which may usefully assist in compiling the country self-assessment.
- 4.2. Please provide copies of any other surveys or reviews in relation to the area of *Socio-economic Development* that you feel may usefully contribute to the country's self-assessment.

#### 5. QUESTIONS RELATING TO OBJECTIVES

**OBJECTIVE ONE: Promote self-reliance in development and build capacity for self-sustaining development**

**QUESTION 1: To what extent does the country have effective ownership of the orientation and design of national development programmes?**

#### INDICATORS

- (i) Describe the steps taken in the design, adoption and implementation of national development programmes, outlining in your response information on all the stakeholders involved in the process;
- (ii) Assess the responsiveness of development projects to community needs;
- (iii) Describe the measures taken to sustain ownership of the development programmes including training, monitoring and evaluation.

*Please give detailed explanation with supporting material where applicable*



**QUESTION 2: How is the national development programme funded?**

**INDICATORS**

- (i) Provide the percentages of internal resources and external resources to fund the national budget, particularly with respect to national investment programmes;
- (ii) Assess the degree of the country's aid dependence in terms of:
  - Total Debt ratio to GDP,
  - Total Debt Service ratio to exports.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE TWO: Accelerate socio-economic development to achieve sustainable development and poverty eradication**

**QUESTION 1: What is the country doing to accelerate socio-economic development and achieve sustainable development and poverty eradication?**

**INDICATORS**

- (i) Provide evidence of legal, policy and institutional steps to accelerate sustainable development and achieve poverty eradication;
- (ii) Provide details of the volume and criteria for resource allocation to accelerate sustainable development and achieve poverty eradication;

- (iii) Describe the challenges that have been encountered in this regard and the measures taken to address constraints and sustain progress.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: What are the outcomes of the policies and mechanisms to achieve sustainable development and poverty eradication?**

**INDICATORS**

- (i) Describe the results achieved in terms of:
- GDP growth rate, including GDP per capita over the past five years,
  - the MDG indicators,
  - WSSD indicators,
  - Social indicators disaggregated by gender, rural and urban areas;
- (ii) Describe the measures to address challenges and sustain progress including monitoring and evaluation.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

**OBJECTIVE THREE: Strengthen policies, delivery mechanisms and outcomes in key social areas including education and combating of HIV/AIDS and other communicable diseases**

**QUESTION 1: What measures has government taken to strengthen policy, delivery mechanisms and monitor outcomes in order to make progress towards the social development targets?**

### **INDICATORS**

- (i) Provide evidence of legal, policy and institutional steps to strengthen policy and delivery mechanisms;
- (ii) Provide details of the overall volume and criteria for resource allocation for this purpose;
- (iii) Present evidence of effective participation of all stakeholders in the design of policies, delivery mechanisms and monitoring of outcomes;
- (iv) Outline the challenges faced and efforts to address constraints.

*Please give detailed explanation with supporting material where applicable*

**QUESTION 2: What are the outcomes of the policies and mechanisms on social indicators?**

### **INDICATORS**

Describe the trends in social indicators over the past 5-10 years with regard to:

- (i) Health, especially with respect to infant mortality and malaria;
- (ii) Prevalence rates for HIV/AIDS and other communicable diseases disaggregated by gender, and between rural and urban areas;
- (iii) Education, particularly with respect to the rate of enrolment of girls in schools including tertiary institutions and other institutions of higher learning.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

**OBJECTIVE FOUR: Ensuring affordable access to water, sanitation, energy, finance (including micro-finance), markets, ICT, shelter and land to all citizens, especially the rural poor**

**QUESTION 1: What policies and strategies has the government put in place to ensure that all citizens, in particular the rural and urban poor, have affordable access to basic needs?**

### **INDICATORS**

- (i) Provide evidence of legal, policy, processes and institutional steps to ensure affordable access to basic needs;
- (ii) Provide evidence of the resources mobilised and allocated and criteria for such allocation;
- (iii) Describe the results achieved in terms of:
  - Percentage of population disaggregated by region, residence, gender, social category, etc. with affordable access to basic needs,
  - Availability and accessibility of basic services to rural and urban poor and other vulnerable groups,
  - Particular impact of the privatisation of public utilities where applicable;
- (iv) Outline the challenges faced and steps to address these constraints.

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

**OBJECTIVE FIVE: Progress towards gender equality in all critical areas of concern, including equal access to education for girls at all levels**

**QUESTION 1: What measures has the country taken to mainstream gender equality and with what results?**

**INDICATORS**

- (i) Provide evidence of legal, policy and institutional steps to promote and encourage gender equality;
- (ii) Provide evidence of specific targets towards gender equality in all critical areas of concern;
- (iii) Provide details of resource mobilisation and allocation, in particular show the percentage of national budget allocated to promote gender equality;
- (iv) Provide evidence of progress made in terms of trends of:
  - Participation and contribution of women in key economic and social activities
  - Gender ratios at all levels of education and training,
  - Women participation in decision-making positions,
  - Any other gender disparity indicators (for example disparities in wages and earnings)
- (v) Provide details of prior reports or evaluations on the status of women in the country.

*Please give detailed explanation with supporting material where applicable*

**OBJECTIVE SIX: Encourage broad-based participation in development by all stakeholders at all levels**

**QUESTION 1: What mechanisms have been put in place to promote and encourage effective participation in development processes by key stakeholders?**

**INDICATORS**

- (i) Provide evidence of legal, policy and institutional steps to ensure broad based participation in the development process by all stakeholders including civil society, private sector, media, rural communities, women groups, minorities and marginalised groups;
- (ii) Describe the governance system, particularly with regards to budgeting and disbursement processes;
- (iii) Assess the effectiveness of the measures to ensure broad-based participation;
- (iv) Outline the challenges and describe the measures taken to sustain progress including (training, monitoring, evaluation, adjustment).

*Additional indicators may be included to better reflect country-specific circumstances and experiences*

## 5. USEFUL WEBSITE REFERENCES

<a href="http://www.afdb.org">www.afdb.org</a>	African Development Bank
<a href="http://www.asea.wananchi.com">www.asea.wananchi.com</a>	African Stock Exchanges Association
<a href="http://www.africa-union.org">www.africa-union.org</a>	African Union
<a href="http://www.maghrebarabe.org">www.maghrebarabe.org</a>	Arab Maghreb Union
<a href="http://www.ican-ngr.org">www.ican-ngr.org</a>	Association of Accountancy Bodies of West Africa
<a href="http://www.dfa.gov.za">www.dfa.gov.za</a>	Central African Economic and Monetary Community
<a href="http://www.comesa.org">www.comesa.org</a>	Common Market for Eastern and Southern Africa
<a href="http://www.eachq.org">www.eachq.org</a>	East African Community
<a href="http://www.ecsaf.org">www.ecsaf.org</a>	Eastern, Central and Southern African Federation of Accountants
<a href="http://www.ceeas-eccas.org">www.ceeas-eccas.org</a>	Economic Community of Central African States
<a href="http://www.nationmaster.com">www.nationmaster.com</a>	Economic Community of the Great Lakes Countries
<a href="http://www.ecowas.int">www.ecowas.int</a>	Economic Community of West African States
<a href="http://www.fatf-gafi.org">www.fatf-gafi.org</a>	Financial Action Task Force on Money Laundering
<a href="http://www.iasc.org.uk">www.iasc.org.uk</a>	International Accounting Standards Committee
<a href="http://www.ifac.org">www.ifac.org</a>	International Federation of Accountants
<a href="http://www.imf.org">www.imf.org</a>	International Monetary Fund
<a href="http://www.iosco.org">www.iosco.org</a>	International Organisation of Securities Commissions
<a href="http://www.sierra-leone.org">www.sierra-leone.org</a>	Mano River Union



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<a href="http://www.oecd.org">www.oecd.org</a>	Organisation for Economic Cooperation and Development
<a href="http://www.dfa.gov.za">www.dfa.gov.za</a>	Preferential Trade Area for Eastern and Southern Africa
<a href="http://www.sadcpf.org">www.sadcpf.org</a>	Southern African Development Community
<a href="http://www.nepad.org">www.nepad.org</a>	The New Partnership for Africa's Development
<a href="http://www.undp.org">www.undp.org</a>	United Nations Development Programme
<a href="http://www.un.org">www.un.org</a>	United Nations
<a href="http://www.uneca.org">www.uneca.org</a>	United Nations Economic Commission for Africa
<a href="http://www.nationmaster.com">www.nationmaster.com</a>	West African Economic and Monetary Union
<a href="http://www.worldbank.org">www.worldbank.org</a>	World Bank