



MO IBRAHIM

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Good afternoon, ladies and gentlemen, and my thanks to Thierry for his kind words. I will just start with some very brief words to describe who we are because I realise that we are not really as well known in France as in Britain, the US or the other side of the world, and we need to correct that. I was very pleased when I received the magazine, *Jeune Afrique*, in my room and found that the first pages were actually about the index. Very briefly, I am a businessman. Initially, I was an engineer and academic and so on and I probably ended my business life by introducing mobile phones into 15 countries, mainly in Sub-Saharan Africa. We started a revolution in mobile phones in Africa. That is something that I am very proud of because I believe that mobile phones have changed life in Africa. Today, we have 450 million mobile phones in Africa, the only item within the Millennium Development Goals that has been achieved well before 2014/15. That was therefore a good thing.

We sold our company in 2005 and made a lot of money. I decided that I really did not need that money – and I was glad that my wife agreed, because that would have been a problem – and I decided to give the money back to Africa. As a businessman, I wanted to give the money back to Africa in a meaningful way. Instead of hiring a number of planes and filling them with food and taking them to Darfur or Somalia, which is a very noble act, the question was how can you stop new Darfurs and Somalias and how are we going to change Africa? We came to the conclusion that the only way to really change Africa was governance – governance and leadership.

Why, ladies and gentlemen, is governance so important for Africa? Africa is the second-largest continent on earth. We have a very generous share of international resources. Africa is rich. It is rich in its land, its resources and its geography. It is a rich continent. There are not many of us. There are 950 million African people, which is two-thirds of India and two-thirds of China. That is all 53 African countries. There is not a lot of people in Africa, in this continent. Therefore, why are we poor? Why are we a rich continent but poor people? That is the question we need to answer and face.

We immediately rejected the issue of history. Africa, we all know, had a tragic history. We had slavery; we had colonialism; and we had the Cold War, which was actually very bad for Africa. However, African countries have been independent for 50 years now. On the day of independence, Ghana was richer than South Korea, China, Singapore and Malaysia. Per head, there was a much higher income. It is the same for Sudan, Egypt and so many countries in Africa. Why are we so behind today? The only explanation has been the quality of governance and leadership in our countries. We are responsible for our fate. It is not anybody else. We therefore started by saying 'Don't look north, east or south. Look at yourself.' We are the makers of our own fortune and what we need is to really improve the way we are running our societies. We need the kinds of leaders who serve honestly and serve their people and who do not amass money in Swiss banks or go off and buy lovely villas in the Antibes and Côte d'Azur – you know all those people over there. We really need good governance and good leadership. It is simple. That is it. That is the only difference.

That is therefore why we decided to focus our foundation on governance – the issue of governance. That was four years ago and from the outset we said that this was an African foundation and that we would not take money from anybody. Therefore, we do not raise funds, because we do not want to be described as agents of Britain or France or as financed by the Americans. We want nothing to do with those guys. We are Africans. Our money is African money, made in Africa. We are giving it back to African people. At the same, since we do not receive grants, we also do not give grants – so please do not come to me after this meeting asking me to give you some grants. We do not give grants. It is therefore a closed foundation.



The Foundation is run by African people and half our Board and half all our organisations are always women, because that is also a point that we are trying to make in Africa. At the same time, we are not xenophobic. We do not have anything against white people or yellow people or orange people. We have a few people, such as Martti Ahtisaari from Finland, the Nobel Prize winner and President of Finland, who since the independence of Namibia is also a Namibian citizen, and Mary Robinson, the ex-President of Ireland. We therefore have no problem with Europeans or white people and we welcome them. Of course, we do not have a Chinese member on our board, but we hope that that will be corrected in the near future.

How, then, did we start our work? We have two main projects. One project is the Index on African governance and here we have a summary of the Index which was published last week. We talk about governance. What is governance? We need to define governance and to measure governance. We therefore had a huge team of experts working with us and we came up with a definition in the end. Governance is a basket of political deliverables which any Government of any kind or any colour must deliver to its people. That is the job of the Government to deliver to its people. We have four main areas: the area of economy; the area of human development – health, education and so on; and the area of rule of law, safety and human rights and so on; and transparency. We measure 88 parameters for every African country.

It is a huge task and we cannot do it alone, but at the same time we do not believe that we should work alone. We believe in partnerships. We have 25 partners working with us and agreements with the World Bank, the United Nations, the World Health Organisation, the International Telecommunication Union (ITU) and Transparency International – all those organisations - and everybody formally gives us all their raw data on Africa. Our teams then scrub this data and talk to the experts in those organisations and we end up with the most comprehensive set of data on Africa that has ever been done. You will find that our documents go back 10 years and there are 88 parameters that measure the quality of governance in each country and we rank every item. All the data is available – we have no intellectual property rights (IPR) issues – and people can download it from our website. What we do is published in English, French, Portuguese, Arabic and Swahili – the five official languages of the African Union. We take a whole page in the leading newspaper in each country to publish the results for that country in the local language, as well as for the countries that surround that country. We send compact disks (CDs) to Members of Parliament and university researchers and so on and to Government people. The data is therefore spread widely across Africa.

We are we doing this? It is because it is really important for us, the people in Africa, to have a scorecard. We need to know who is doing what to whom, what every Government is delivering, how many kilometres of road they built last year, how many hospital beds, how many kids went to school, how many kids finished school, how long girls stayed at school, what about women's social rights, how many rape cases they had, how many illegal killings they had. We need to measure everything that is happening in Africa and put it out into the light. It is useful for governance because you can measure what their policies are. You have all the data for 10 years – their data and the data from other people. We need to know what policies work and what does not work. For the African people, it is important to know what their Governments are doing [10.34]. We do not want to run our countries by poets and speechwriters and all that nonsense. We need our countries to be run based on facts and data, like a business, because it is a business. That is therefore the index and people can check it on our website – it is so easy. What we have here is actually the Executive Summary – the actual index is 350 pages.

The second thing that we do is the Prize and I want to clarify here the issue of the Prize and leadership. We believe that not only with Governance, but also with leadership that is very important to change what we are doing. One problem that we have in Africa – and which we have to confess – is that there has been a tendency for some leaders to never leave office. Sometimes you can actually understand that because there is nothing to do. If they left office, where would they go? Unlike Britain, for example – and Britain is my second country and I am also a British citizen. Tony Blair makes a lot of money. He gets GBP2 million from Merrill Lynch for being on the board and he makes speeches at USD500,000 a speech. He does this and that. All our leaders in Europe actually become rich after they leave office. Where do African leaders go after they leave office? There is nowhere to go. We therefore said that there is one type of leader that we care about, which is the people who have really delivered to their countries. They came peacefully and democratically. They served and moved the country forward. They were excellent in execution and then they left on time. They did not go and change the constitution and play around and stay



there and this, that and the other. No. They came and served. The constitution says that you can have two terms – you have two terms. Then it is finished. We say that people who did the right thing are really heroes. They are really heroes.

I know that people are talking about the Nobel Prize and so on. That is fine. Somebody writes a nice novel and he gets a prize and somebody writes a paper on chemistry. We think that a leader who takes millions of people out of poverty is the person who really deserves a wonderful prize. That is why we offered this prize. In short, the prize is USD5 million, USD200,000 for life and USD200,000 a year for the foundation, which the departing President is going to form to continue. Because we are actually recruiting these people - these are the wonderful people of Africa – to work and continue to serve the people in Africa as civil society now. Civil society is wonderful. People join in civil society and say 'Let us serve'.

That is therefore the objective of the Foundation. So far with the Prize we have had three winners. We had President Mandela, President Chissano of Mozambique and President Mogae of Botswana. By the way, I do not sit on the Prize Committee. The Prize Committee meets confidentially in secret and does not keep minutes. It is a wonderful organisation and has some of the best people around, and you can check all its members. It is chaired by Kofi Annan. Whatever it decides, we execute as the Board of the Foundation. It is therefore not that I select people, as some people say. I have no voice there.

In order for us to succeed in what we are doing, governance is not only required from Governments in Africa. Good governance is required from everybody. It is required from your Governments, ladies and gentlemen, and it is required from your private sector as well. We cannot have good governance in Africa if you are messing about or having all this hanky-panky that you sometimes love to do. We therefore also really need to take issue with the issue of governance in the private sector, which nobody is talking about. The financial crisis, which hit all of us, was actually because of the collapse and failure of governance in the financial institutions. I asked the question to the President of the European Central Bank, which I think you heard yesterday - where were the boards of all these banks? How could they allow this kind of betting and speculation to go on? Where is the governance? What happened there? There was a total failure of governance in the private sector and because of that total failure there are people who do not live in the United States and who do not bet on the housing market in the United States – normal people like you and me – who suffered. You suffered in your pensions and some of us lost our jobs. Millions of people around the globe suffered. Not only that, these banks failed and then they came to us and said 'Hey. Sorry.' Taxpayers have to bail all those people out. You therefore have to dig into your pockets again and do that. Your Governments then run huge deficits and say 'Okay. We need to cut health. We need to cut education. We need to do this.' All of us therefore suffered and it is then legitimate for all of us to say 'Excuse me. We must have a voice here. If this bunch of bankers does these stupid things and affect all of us, we really need to have a voice.' There is that issue as well. Therefore, where is governance in the financial sector? We need to have it and we need to see it.

Governance in the mining, oil and energy industries is very important because these are important resources for us in Africa. Some of our countries rely completely on these natural resources. I cannot understand when a big multinational company comes and signs a secret contract. Nobody knows how much they are paying for the oil or the gas or where this money is going. Anything done in secret is suspicious. They have a very good reason. There must be some hanky-panky. We ask all these great household companies 'Why are you doing this contract in secret?' They say 'Oh, because the Governments over there insist. The President insists in having it secret.' However, of course the President wants a big bribe. That is why he wanted to have it in secret. Is there any other reason? There is no other reason. Therefore, we say that that must end.

I was delighted in the United States with the Cardin-Lugar amendment. Senator Cardin and Senator Lugar produced an amendment which is now law in America that any energy, mining or oil company listed in the United States must declare their contracts. There are no longer secret contracts. It is finished. That captures maybe 70% or 80% of this kind of company. We then look at Europe. Where is the moral backbone of Europe? When is Europe going to match the United States and impose a similar law? Some 40 years ago, the United States introduced the Foreign Corruption Act and the agreement and understanding was that simultaneously Europe would introduce similar acts. What happened? The Europeans laughed up their sleeves and said 'Oh, let the Americans pass the law' and



refused to pass the law. Bribes in Europe were tax deductible until 2000. You know that. Are you proud of that? It is tax deductible when you pay bribes. Is that governance?

Under pressure from the Organisation for Economic Cooperation and Development (OECD), finally, dragging their feet, European countries introduced anti-corruption laws. My next question is how many countries in Europe prosecuted how many companies? You will be surprised. All 20-odd countries did not prosecute more than three or four cases. Can we therefore take you seriously? Are you serious?

The Americans passed this law and we can look at this. I met with Mr. Barroso three days and with Louis Michel, who is going to go to the Parliament and try to pass this law. We have also spoken to various European leaders. I have spoken to Mr.s Merkel and the British leaders and we said 'We are going to judge you now. Do not stand on your soapbox and lecture us, because we are judging you and you need to show us your moral backbone.' We therefore really demand good governance out of your private sector and we demand good governance out of your Governments. You have to do that. We are doing our job in Africa and we are taking everybody to task. We are giving everybody in Africa hell and we have the right then to turn to you and ask 'What are you doing?'

Thank you very much and I welcome any questions.