

## The importance of governance to doing business in Africa

"There is no difference between governance in the public sector and the private sector. In both, it harnesses resources in an efficient and effective way, to achieve the best results. Let's stop saying corruption is preventing business in Africa. Good governance is creating more and better business opportunities. My experience is testament to the link between good governance and successful business in Africa."

*Mo Ibrahim, Chairman, Mo Ibrahim Foundation*

### What is the Ibrahim Index of African Governance (IIAG)?

The IIAG is a composite index, and its underlying data set of 123 constituent variables, that provides an annual statistical measure of governance performance in all African countries. The Mo Ibrahim Foundation defines governance as the ability to deliver the political, social and economic public goods and services that any citizen is entitled to receive and that any government has the responsibility to deliver to its citizens. The four categories of the IIAG cover the pillars of governance as identified by the Mo Ibrahim Foundation: Safety & Rule of Law, Participation & Human Rights, Sustainable Economic Opportunity and Human Development. The data are taken from 23 independent data sources.



Mo Ibrahim  
FOUNDATION

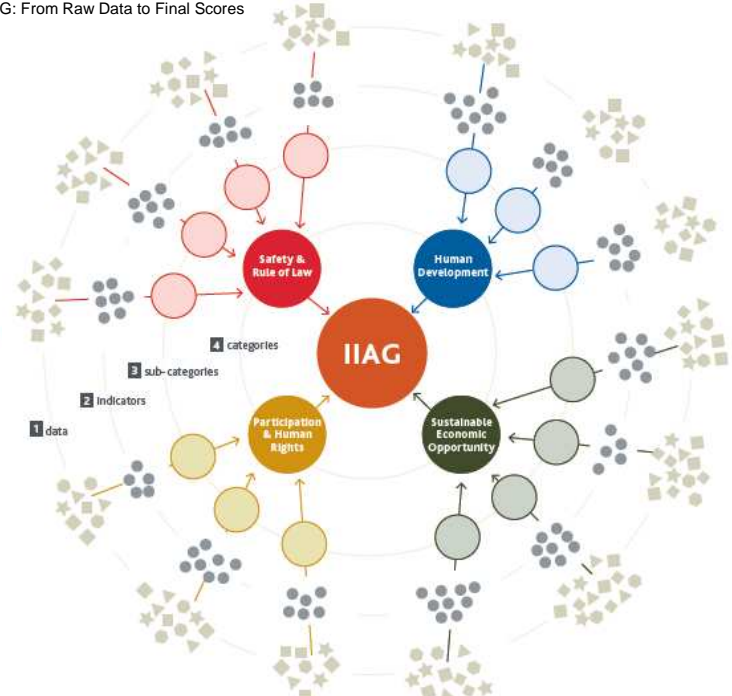
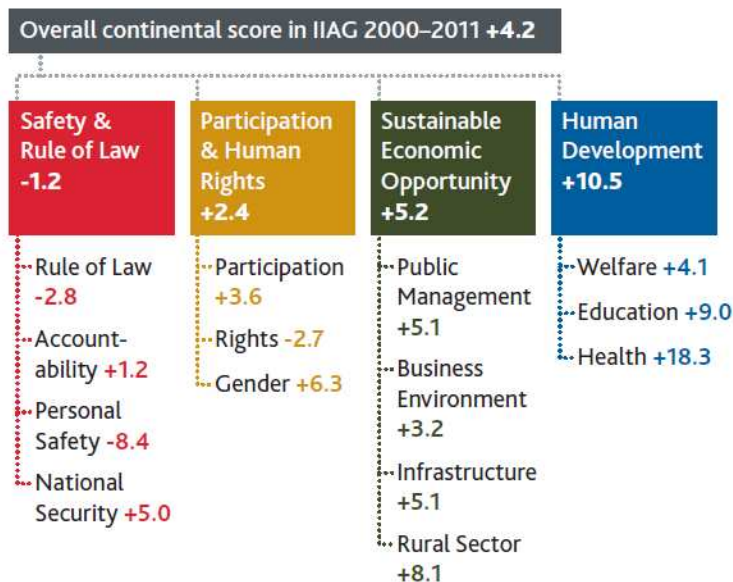
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IIAG: From Raw Data to Final Scores



The 2012 IIAG was the sixth iteration of the Index, and confirmed that governance has improved across the continent since 2000. There have been positive trends in 11 out of the 14 sub-categories, noticeably in all sub-categories within the Sustainable Economic Opportunity and Human Development categories.

### Improvements in governance between 2000 and 2011

From 2000 to 2011, seven countries demonstrated a significant improvement in their overall governance score: Liberia, Angola, Sierra Leone, Rwanda, Congo, Democratic Republic of Congo and Zambia. Since 2006, Tanzania has climbed up the IIAG's rankings, making it into the top ten for the first time. Angola, Liberia and Togo have left the group of the ten worst performers.

## Deteriorations in governance between 2000 and 2011

Madagascar showed a significant decline in overall governance score since 2000. Eritrea, Guinea-Bissau and Nigeria have moved into the group of ten worst performers.

RANK 2006	Country	Score	RANK 2011	Country	Score
1st	Mauritius	78	1st	Mauritius	83
2nd	Botswana	76	2nd	Cape Verde	78
3rd	Cape Verde	74	3rd	Botswana	77
4th	Seychelles	74	4th	Seychelles	73
5th	South Africa	72	5th	South Africa	71
6th	Namibia	70	6th	Namibia	70
7th	Tunisia	65	7th	Ghana	66
8th	Ghana	64	8th	Tunisia	63
9th	Lesotho	61	9th	Lesotho	61
10th	Senegal	59	10th	Tanzania	59
...			...		
13th	Tanzania	58	16th	Senegal	56

RANK 2006	Country	Score	RANK 2011	Country	Score
...			34th	Liberia	47
37th	Nigeria	42	...		
38th	Guinea-Bissau	41	39th	Togo	44
...			40th	Angola	44
42nd	Eritrea	39	...		
43rd	Togo	38	43rd	Nigeria	42
44th	E. Guinea	37	44th	E. Guinea	41
45th	Côte d'Ivoire	36	45th	Guinea-Bissau	40
46th	Angola	35	46th	Côte d'Ivoire	36
47th	Liberia	35	47th	Zimbabwe	34
48th	Zimbabwe	33	48th	C. African Rep.	34
49th	Chad	31	49th	Eritrea	33
50th	Congo, D. Rep	31	50th	Chad	33
51st	C. African Rep.	29	51st	Congo, D. Rep.	33
52nd	Somalia	9	52nd	Somalia	7

## Worrying trends in the main regional powerhouses?

While governance is steadily improving in many countries, some of Africa's regional powerhouses – Egypt, Kenya, Nigeria and South Africa – have shown unfavourable performance since 2006. All four countries have declined in both Safety & Rule of Law and Participation & Human Rights, with particularly noticeable declines in the Participation sub-category. South Africa and Kenya have registered declines in the category Sustainable Economic Opportunity. This year, Nigeria has fallen into the bottom ten governance performers on the continent.

### 'Imbalanced' governance performance

'Imbalanced' performance between the four categories of the IAG has been highlighted in previous editions of the IAG, when Egypt, Libya and Tunisia stood out as cases in point. This characteristic refers to noticeable improvement in one or multiple categories while there is deterioration in the other categories. It is an important point that causes concern for the sustainability of overall governance results. Over the last six years almost half of African countries registered an increased 'imbalance' between the four categories. Five of the six most 'imbalanced' countries were in North Africa: Algeria, Egypt, Libya, Morocco and Tunisia. Not only does North Africa remain the most 'imbalanced' region in Africa, it has also experienced the greatest regional governance deterioration since 2006.

Since 2006, fewer than half of the African countries have achieved the optimum combination of an overall improvement in governance and an increasingly balanced performance across all four categories of the IAG.

For more information, and to explore the data set further, please visit [www.moibrahimfoundation.org/interact](http://www.moibrahimfoundation.org/interact)

To download the full data set of 123 constituent variables in Excel, please visit <http://www.moibrahimfoundation.org/downloads/2012-IIAG.xls>

The 2013 IAG will be launched in October 2013.

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