



ADVANCING BENEFICIAL OWNERSHIP TRANSPARENCY IN AFRICA

A High Level Political and Technical Engagement

19 - 20 May 2021

Concept Note

Background and Rationale

In 2011, the 4th Joint African Union Commission/United Nations Economic Commission for Africa (AUC/ECA) Conference of African Ministers of Finance, Planning and Economic Development mandated ECA to establish the High Level Panel on Illicit Financial Flows from Africa. This decision was informed by a resolve to ensure Africa's accelerated and sustained development, relying as much as possible on its own resources.

Beneficial ownership transparency has emerged as an important policy tool in countries for combating corruption, stemming illicit financial flows, and fighting tax evasion. Nearly 30 member countries of the [Open Government Partnership](#) (OGP) have made commitments to advance global norms on beneficial ownership transparency as of August 2020. It has become even more significant in the wake of the COVID-19 pandemic and countries efforts to circumnavigate the challenges to their economic recovery compounded by past economic and public health crises. [OGP's Open Response + Open Recovery campaign](#) and call to action to its member countries specifically highlights the urgent need for governments to mandate that companies receiving emergency funds disclose information about their beneficial ownership.

In 2020 countries participating in the [Extractive Industries Transparency Initiative](#) (EITI) were required to disclose beneficial owners of mining, oil and gas companies - an important step towards ending anonymous companies extracting solid minerals, oil and gas in Africa - especially when entities are involved in extracting mineral resources that are vested in the state on behalf of the people or are bidding for public contracts. In Africa, OGP member countries have used their platforms to make meaningful reforms in extractives governance with some specifically using the platforms to accelerate their meeting of EITI requirements.

Yet beneficial ownership transparency is required for all sectors and OGP and EITI platforms are increasingly jointly being leveraged to tackle cross-sectoral issues such as contracting transparency and environmental disclosures. Nigeria, Ghana, Kenya, Sierra Leone, South Africa, Senegal and Liberia are among those specifically taking incremental action to domestically address financial secrecy,

including requiring the beneficial owners of companies, partnerships, foundations and trusts to register.

While the progress is commendable, the promise of beneficial ownership making a dent in corruption, illicit financial flows, tax evasion and avoidance; and terrorism financing will only be realized by ensuring that legislation, regulations, registries, use and integration infrastructures are designed in accordance with best practice. Preliminary review of disclosures suggests crosscutting gaps on data collection and information disclosure. Several countries are yet to develop relevant legal provisions while issues of data quality, verification and data use remain challenging across several countries. The growing momentum towards ending corporate anonymity is dependent on commensurate political and technical prerequisites that will ensure continued and improved outcomes.

Objectives

It is against this background that the [Open Government Partnership](#), the [Extractives Industries Transparency Initiative \(EITI\)](#) and Open Ownership will, on the Open Gov Week, jointly convene leaders from government, civil society, public sector and business from May 19 - 20, 2021 for a political and technical engagement on the advancement of beneficial ownership transparency in OGP and EITI countries. This event will also highlight the commencement of a new joint programme delivered by the EITI and Open Ownership to advance beneficial ownership transparency as a tool to strengthen natural resources governance

The overall aim of this convening will be to mobilise political momentum and support for beneficial ownership transparency to mitigate corruption and mismanagement of natural resources and beyond, adapt to new governance challenges arising from the global coronavirus pandemic; and share best practice guidance on instituting beneficial ownership reform infrastructure to enhance its effectiveness and impact.

Specifically, this event will seek to:

- Interrogate the state of play of beneficial ownership transparency in Africa
- Make a strong value proposition for the need to accelerate and prioritize beneficial ownership transparency in tackling corruption in the areas of extractives, tax and business in Africa
- Build political support and elevate political engagement for beneficial ownership in Africa
- Enable governments and industry to disclose high quality open BO data for the extractives sector to improve transparency and accountability in Africa
- Build the capacity of government and local stakeholders to integrate, use, and analyse data in the public domain to improve accountability and governance in Africa

Format

Day 1: High Level Discussion on Beneficial Ownership Transparency in Africa (Public)

19 May 2021 | 12:00 Abidjan/ 14:00 Joburg/ 14:00 Oslo / 15:00 Nairobi / 8:00 AM EDT

[Register to attend here.](#)

This panel is part of a series of regional conversations aimed at advancing collective action on beneficial ownership transparency as countries review their long term recovery and resilience efforts following the economic and health crises occasioned by the pandemic, including with multilateral partners, and others key allies.

Day 2: Technical Roundtable (Invite only)

20 May 2021 | 10:00 Abidjan/ 12:00 Joburg/ 12:00 Oslo / 13:00 Nairobi / 6:00 AM EDT)

The technical roundtable will bring together high-level technical officials within government agencies working on Beneficial Ownership disclosure, members of African EITI national multi-stakeholder groups (MSGs), EITI national secretariats, OGP multi-stakeholder forums to share best practices in developing legal provisions, improving data collection and management, ensuring quality assurance and encouraging data usage by stakeholders. The technical session will take place during Open Gov Week and will be preceded by a plenary session where high-level officials will champion BO disclosure through commitments and engage in a panel discussion on the prospects and challenges of advancing BO disclosure in Africa. Both events will be co-organized by EITI and OGP in partnership with Open Ownership (OO).

Outputs and outcomes of the technical roundtable

A direct output of the section is to enhance the technical capacity of relevant government officials, MSG members, national secretariats, OGP stakeholders and other relevant actors to address challenges to implementing beneficial ownership disclosure. It is hoped that by bringing together high-level technical officials and relevant stakeholders to share best practices, the event will produce a cohort of technical champions capable of and committed to effective delivery of BO disclosure within EITI and OGP countries.

The learning objectives for the technical roundtable are:

1. Gain an understanding of progress on BOT across Africa
2. Share country experiences of implementing BOT
3. Understand approaches and good practice for legal reforms and collecting high quality BO data
4. Access tools that can support implementation

If you are a practitioner working on beneficial ownership in Africa and would like to receive further information about this roundtable, [please fill in this form](#) to register your interest.

Contact Persons

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Resources

- EITI resource page including implementation guidance on BOT in extractives: <https://eiti.org/beneficial-ownership>
- Open Ownership resource page including implementation guidance on BOT: <https://www.openownership.org/resources/>
- "Beneficial ownership transparency in Africa: The state of play in 2020", report by Tax Justice Network Africa: <https://www.taxjustice.net/2020/07/01/beneficial-ownership-transparency-in-africa-the-state-of-play-in-2020/>