

SPEECH BY THE GUEST OF HONOUR AT THE 6th EXCELLENCE IN CORPORATE GOVERNANCE AWARDS PRESENTATION DINNER 2016

HON MINISTER JULY MOYO

**Rainbow Towers, Harare,
29 November 2018**

Let me begin by acknowledging the presence of the following:

Our Permanent Secretary in the Office of the President- Mr Willard Manungo

Our Guest Speaker- Mr Muchadeyi Masunda

The President of the Institute of Chartered Secretaries and Administrators in Zimbabwe –Mrs Letitia Gaga

**The Reserve Bank of Zimbabwe Governor
The Chief Executive Officer of the Securities and Exchange Commission of Zimbabwe**

The Chief Executive Officer of the Zimbabwe Stock Exchange

Board Chairmen, board members and officers of ZSE-listed companies, Banking Institutions, Insurance Companies and State-Owned Enterprises & Parastatals here present,

Small-to-Medium Enterprises here present,

**Representatives of Awards Sponsors here present,
Councillors of the Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ),**

Distinguished Guests,

Members of ICSAZ and its secretariat here present,

Members of the Press,

Ladies and Gentlemen;

I feel honoured to be here this evening to officiate at the 6th **Excellence in Corporate Governance Awards ceremony** organised by the Institute of Chartered Secretaries and Administrators in Zimbabwe (**ICSAZ**).

I have been informed that the ICSAZ Excellence in Corporate Governance Awards were designed to recognise boards of companies that excel in corporate governance practices. I commend the Institute for running these Awards as they embody an aspiration and commitment we share as Government - that of promoting a culture of responsibility and accountability in Zimbabwe.

Ladies and Gentlemen, the theme: **“Good Corporate Governance, the key for Sustainable Economic Growth”** is particularly important at this time in our country when we are courting both Foreign and Local investors. **Indeed a culture of good corporate governance and zero tolerance to corruption, in both private and public sectors, is crucial for sustainable economic development.** As Government, we have shown commitment through the ongoing initiatives to improve the Ease of Doing Business in Zimbabwe by modernising our laws and aligning them to the New Constitution. We have said “NO!” to corruption. I call upon the private sector to complement Government effort to make Zimbabwe a safe investment destination, especially in the fight against corruption and poor corporate governance.

Ladies and Gentlemen, **corruption** and poor corporate governance are the major stumbling blocks facing business sustainability in both the private and public sectors of our economy. Wanton greediness and the need for self-

enrichment at all cost are the root causes of **Corruption**. As the Government, we are saying, **Corruption** has no place in this second republic.

Ladies and Gentlemen, we acknowledge and appreciate that the bureaucratic bottlenecks in our public administration systems are aggravating the scourge of corruption. This is why, as the second republic, we are putting emphasis on the "Ease of Doing Business" initiatives which will help reduce incidents of potential corruptible interfaces in business transactions. We believe that the bottlenecks in our public administration system will be dismantled substantially by the e-government solutions we are currently implementing as Government.

Ladies and gentlemen, there is no doubt, poor corporate governance contributes to the proliferation of corruption, damaging the interests of investors and reducing existing transparency. Inevitably, poor corporate governance impairs investor confidence and negatively affects the operating performance of firms by raising the cost of capital and reducing firm value. Then, who would want to invest in any country with opaque administration?

Ladies and Gentlemen, I believe that the notion that **corruption makes bad business** is not yet integrated into the corporate culture. It is within the power of business people to condemn corruption as a vice. This condemnation should be aimed at both the public institutions and the private sector.

As Government, we have legislated anti-corruption laws in Zimbabwe and established an Anti-Corruption Commission as an indication of our commitment to fight this vice. But for our anti-corruption initiatives to be effective and sustainable, we must focus on both sides of the corruption equation: **the supply and the demand sides**. The role that private sector companies can play in the fight is therefore not to be accomplices. I want to argue that the private sector supports corruption in the public sector. I say so because in reported cases of public sector corruption, the private sector players have been exposed as viable conduits to siphon public funds! Therefore Ladies and Gentlemen, good corporate governance in the private sector can lead to the reduction of corruption in the public sector by addressing most of the problems and pressures that emanate from private sector players.

This year, the government had enacted the Law, Public Entities and Corporate Governance Act, which is aimed at ensuring good corporate governance in State Enterprises and Parastatals. I am sure this piece of legislation will go a long way in addressing governance issues in Public Institutions and enterprises. As government, we are happy tonight because the Institute is going to present corporate governance awards to State Owned Enterprises and Parastatals (SEPs). This is a clear testimony that we as Government, we rally behind good corporate governance.

Ladies and Gentlemen, the importance of state enterprises and parastatals to the economy of Zimbabwe cannot be overemphasised. These entities were

established to provide diverse services to both the public and corporate institutions. In most cases, the services offered by these entities provide a platform upon which other economic activities can ride and grow such as telecommunications or ICTs, transport services and infrastructure, energy and power. In essence, public enterprises are key enablers that, if managed efficiently, can facilitate economic growth and sustainable development.

Ladies and Gentlemen, I am sure you agree with me, Leadership and good governance go hand in hand. Leadership is a critical ingredient of good governance. Leadership is a talent for transformation: the ability to bring out the best in others for the greater good of all. There is recognition of the importance of leadership - of people who can instil a sense of moral and social responsibility into their every activity and who can build communities of common ideas and ideologies. Leadership also means inspiration and illumination - guiding others through personal examples and charisma. It also means defining and designing a direction and then enabling others to reach the goal. Everyone in various capacities is a leader, I therefore challenge you to go out there and be exemplary, be good leaders with good ethics and practice best corporate governance.

Ladies and Gentlemen, any authority or regulator who is serious about good corporate governance should take these awards seriously. Ladies and

Gentlemen, enjoy the rest of this wonderful evening. My warm congratulations go to all awards recipients tonight.

I THANK YOU