How civil society can engage with private sector in fighting corruption

The Cbi Case Study

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Contents

• About the Convention on Business Integrity

• How civil society can engage the private sector in fighting corruption

• The CBi examples
  – The Convention
  – The Corporate Governance Rating System
About CBi

About us
CBi is a nongovernmental organisation formally launched in 1997 by a number of concerned business leaders in Nigeria to combat corruption in the private and public sectors.

Vision
To move the society towards a visible zero tolerance for corruption, which could alter the idea that Nigerian businesses are fraudulent and instead foster international relationships that can lead to meaningful exchange.

Key Objective
To provide an alternative to the perceived all-encompassing culture of corruption, showing that there are other ways of behaving / doing business in such a highly-corrupt environment.
Areas in UNCAC that involve the Private Sectors

Articles 12, 21 and 22

Elements
- Cooperation
- Codes of Conduct
- Transparency and Disclosure
  - Auditing
  - Bribery
  - Embezzlement
Ways civil society can work with the private sector in fighting corruption

- Facilitator
- Advocacy
- Expert/Advisor
- Capacity builder

On UNCAC articles related to the private sector; Anti-corruption etc.
How Cbi partners with the private sector

We Believe

• the profit motive of business in not evil
• our innovation must be around making our proposals relevant to the core pain points of the businesses we want to partner with
• the objective of our collaboration must be framed in terms that confirm positive incentives for business participation (the closer to addressing core pain points of business or profit motive the better)

• We then work with them to agree upfront what desirable, workable solutions could be
• We also jointly implement what we jointly own
The Convention

**Membership**
- Individuals, Local companies, International companies, Educational institutions, Governmental departments

**Membership**
- By signing up to the CBI, commitments are made to the values and rules of the Code of Business Integrity, which contains both sanctions and incentives for the participating companies.

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**Core Group (Governance)**
- One president and eight members (nine persons)
- CBI - Secretariat

**Declaration**
- Pledge which is read out by new signatories

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**The Standard**
- **Principles**
  1. Ethics and Morals
  2. Transparency & Accountability
     - Accountability
     - Self Disclosure & Scrutiny
  3. Competence
  4. Will and power to do the right thing
     - Corruption and Corrupt practices
     - Whistle blowers
     - Audits
  5. Commitment
- **Indicators**
- **Evidence**

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**Accreditation Process for New Signatories**
- Application
- Review of Application
- Public signing of the Convention on Business Integrity

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**Elements**

**The 5 Integrity Stars**

- **Credentials** – ‘You are who you say you are’
- **Value System** – ‘You do what you say you do’
- **Accountability & Transparency** – ‘You inform your stakeholders on what you do’
- **Sustainable Commitment** – ‘You do the right thing even when no one is looking’
- **Track Record** – ‘You demonstrate business integrity over a period of time’
The Corporate Governance Rating System

• Partnership between the CBi and the Nigerian Stock Exchange
  • The NSE was trying to get more foreign investment for companies that are listed and felt the negative perception of business in Nigeria was a hindrance

• Tool used to rate all listed companies on the NSE, based on their corporate governance practices
CGRS Component

Involves a perception-based assessment of the company's CG practices via:
- Structured Stakeholder Questionnaires designed to obtain the perceptions of a sample of relevant employees, business partners, investors and regulators.
- An Expert Multi-Stakeholder Group (EMSG) panel discussion whose role is to provide views on the CG practices of the companies based on their close industry association.

- Uses a fact-based approach via companies carrying out self-assessments to analyze their compliance to Corporate Governance codes, Regulatory Rules & Anti-Corruption programs.
- Assesses
  - Business Ethics & Anti-Corruption
  - Internal & External Audit and Control
  - Shareholder & Stakeholder Rights
  - Board Structure & Responsibilities
  - Transparency & Disclosure

- Reviews the percentage of directors of a company that are aware of their fiduciary responsibilities
## Benefits of the CGRS

### General
- Improving corporate governance practices of listed companies
- Provides incentives for good behavior
- Promotes social-responsible businesses
- Enhances business reputation
- Reducing uncertainty/risks and protects shareholders assets
- Allows listed companies fight corruption by creating a corruption-free ‘level’ playing field

### For businesses
- Improved perception
- Publicity on their good behavior
- More in

...Better for Business
Other ways

Expert Advice
• Approached by local organizations to perform anti-corruption reviews and corporate integrity assessments
Engagements/ Partnerships with the private sector should...

- Allow time for building trust amongst stakeholders
- Possess a well defined and narrow scope to foster credibility and allow easier monitoring and audit
- Focus on achievable results and improvements to provide the foundation upon which to build more challenging initiatives later on
- Have the top-management commitment of participating businesses
- Create public awareness on initiatives
- Establish positive incentive for proper behavior e.g. certificates
- Have agreed upon clear consequences in case of violations
Thank You for your attention!

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