



How civil society can engage with private sector in fighting corruption

The Cbi Case Study

Nneka Enwonwu



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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

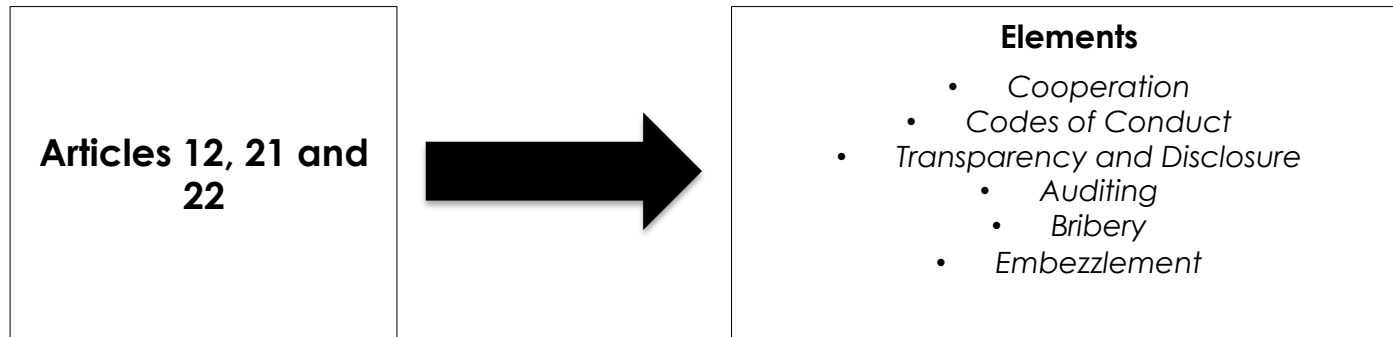
To move the society towards a visible zero tolerance for corruption, which could alter the idea that Nigerian businesses are fraudulent and instead foster international relationships that can lead to meaningful exchange.

Key Objective

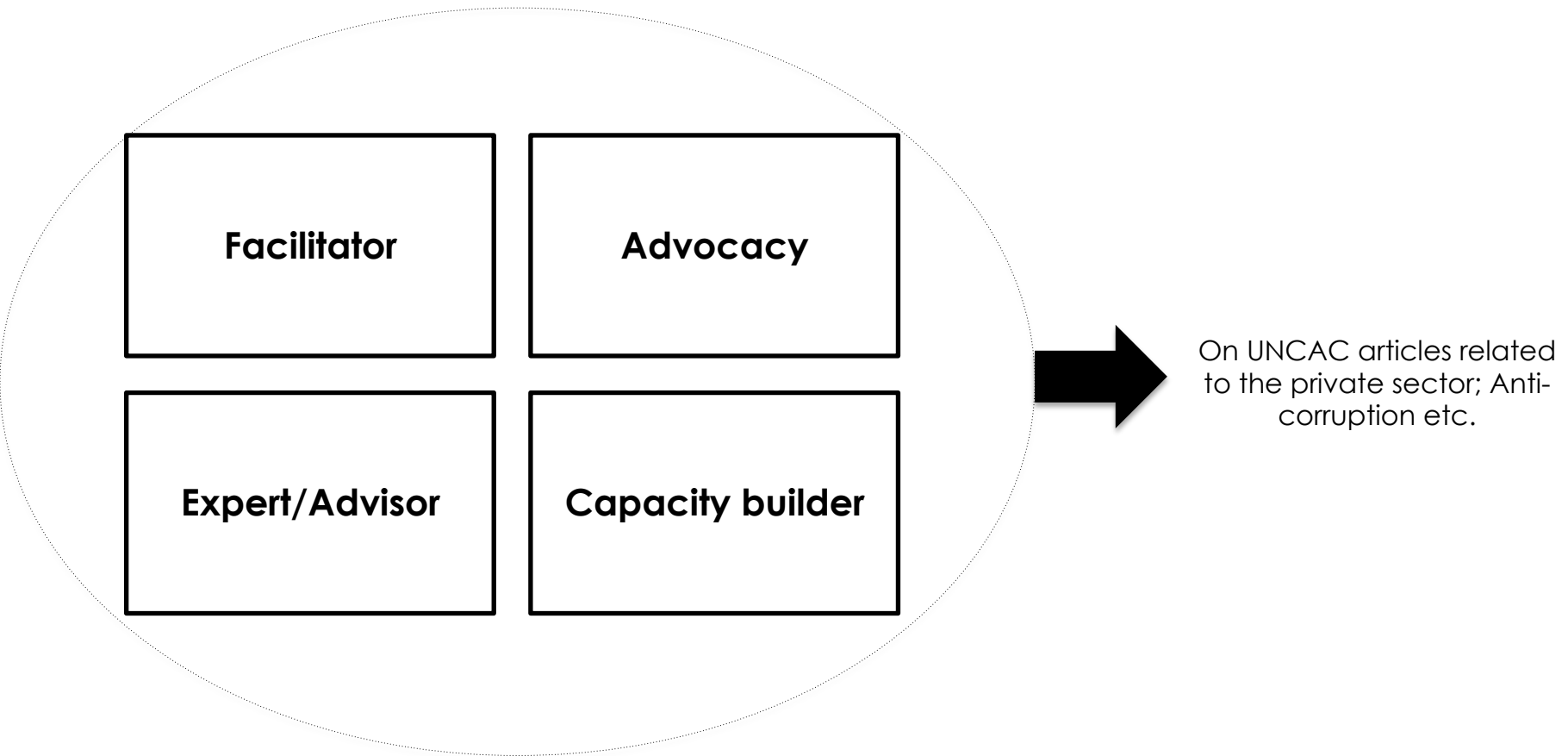
To provide an alternative to the perceived all-encompassing culture of corruption, showing that there are other ways of behaving / doing business in such a highly-corrupt environment.



Areas in UNCAC that involve the Private Sectors



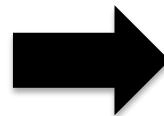
Ways civil society can work with the private sector in fighting corruption



How Cbi partners with the private sector


We Believe

- the profit motive of business is 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
	Purpose	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.

Elements

Core Group (Governance)

- One president and eight members (nine persons)
- CBI - Secretariat

Accreditation Process for New Signatories

- Application
- Review of Application
- Public signing of the Convention on Business Integrity

Declaration

- Pledge which is read out by new signatories

Annual Corporate Integrity Ratings process



- 
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 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



The Corporate Governance Rating System



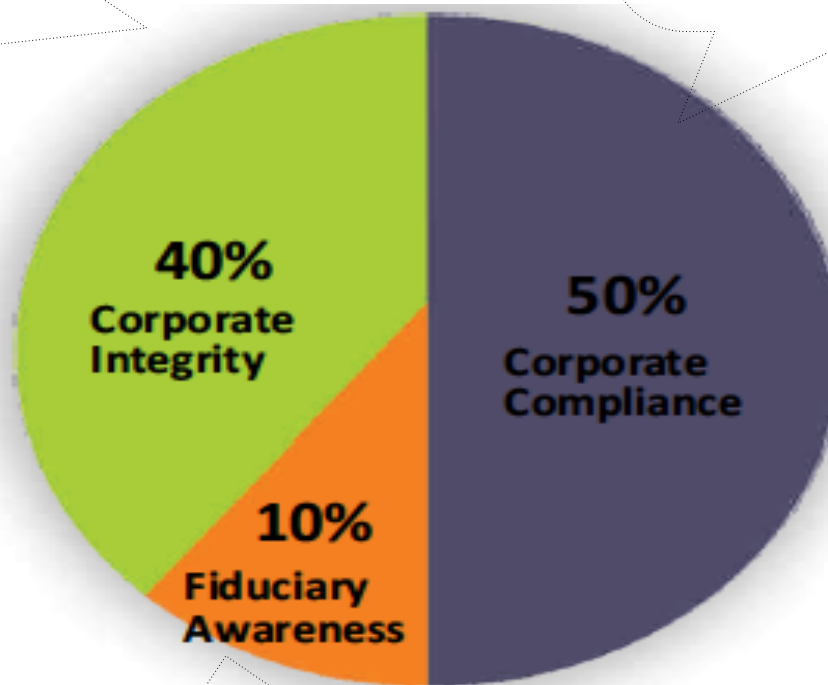
Better for business.

- 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

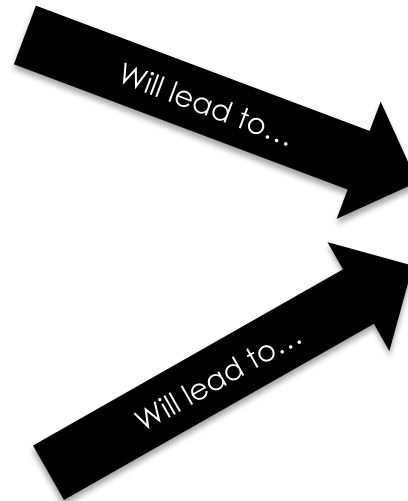
General

- 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**



- Chain reaction - Listed companies can institute change/ adoption of better behavior with smaller companies
- CEOs demanding government's action in assisting to create a corrupt free environment

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!

Enquiries: Nneka Enwonwu

Email: nneka.enwonwu@cbinigeria.com

Telephone: +234 818 324 0055