



Human Rights Trust  
of Southern Africa  
(SAHRIT)

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## Conference Statement Business Action Against Corruption Abuja, Nigeria 20th February 2006

*“Business Action Against Corruption is innovative because it stresses the importance of African leadership in getting results. It also assists national actors to work together by building new partnerships between government and business to remove the opportunities for corruption. Finally, it is fully committed to improving ethics in business. ....BAAC will ensure that partnerships are strengthened, home grown strategies to tackle corruption are incorporated, and the obstacle to peace, security, growth and development and democracy are eliminated”*

H.E. Olesgun Obasanjo,  
President of the Federal Republic of Nigeria



Event Sponsor

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In his opening address to the West Africa Investment Forum, H.E. President Olusegun Obasanjo referred to the conference:

*“Six months ago, alongside the G8 Summit, I addressed the launch of Business Action for Africa (BAA) which was organised by the CBC and Commission for Africa, and which involved over 300 companies in committing their support for Africa. Earlier today, as a part of the Forum programme, a meeting was held of the lead governance programme of Business Action for Africa, which aims to tackle corruption through the Business Action Against Corruption (BAAC) initiative.*

*Business Action Against Corruption is innovative because it stresses the importance of African leadership in getting results. It also assists national actors to work together by building new partnerships between government and business to remove the opportunities for corruption. Finally, it is fully committed to improving ethics in business. Delegates from across Africa, from public and private sectors agreed to extend the programme across the continent in cooperation with the African Peer Review Mechanism (APRM). In this way, the BAAC will ensure that partnerships are strengthened, home grown strategies to tackle corruption are incorporated, and the obstacle to peace, security, growth and development and democracy are eliminated”*

The Business Action Against Corruption (BAAC) conference is a campaign against corruption launched in southern Africa, and backed by the G8 Business Action for Africa (BAA) campaign, which was set up at the July 2005 G8 Summit.

It is implemented by a working group made up of:

- African Institute for Corporate Citizenship – Africa Corporate Sustainability Forum
- Commonwealth Business Council
- The Convention on Business Integrity, Nigeria
- The Human Rights Trust of Southern Africa (SAHRIT)
- The Southern African Forum Against Corruption

The aim of BAAC is to find practical ways of creating effective and sustainable partnerships between business and governments in tackling corruption.

The Abuja conference was sponsored by V-Mobile Nigeria, and addressed by Allam Nuhu Ribadu, Chairman of the Economic and Financial Crimes Commission (EFCC), who appealed for a strong partnership with the private sector, on which the future of the country depends. The conference also heard addresses from senior representatives of from BAAC Malawi, Cadbury

Nigeria, Standard Chartered Bank, SAP, Unilever, and V Mobile and by members of the working group.

The specific objectives of the Abuja conference were to strengthen the BAAC network as an enabling programme:

- To extend and support national coalitions of business, working in cooperation with government, to find practical measures to combat corruption across the continent
- To share best practice models for business to improve corporate governance through internal programmes which address corrupt practice
- To build new partnerships for BAAC within West Africa

### **Conference Conclusions**

We agree that corruption is a deeply-rooted problem with catastrophic consequences for development and well-being of society. But this is a very opportune period for change, and tackling the image of West Africa as a centre of global corruption. The landscape is good with both initiatives such as the APRM and the wider focus on good governance in NEPAD which leaders such as President Obasanjo are championing. Twenty-eight countries have agreed to partake in the APRM process and the private sector is called upon to dovetail into this process.

Corruption affects all sectors of society, government, social and business. Corruption in the private sector must not be allowed to remain “private” and tackling it is as important as cleaning up public administration. All opposed to corruption –whether from government business or civil society– need to unite and work together.

Making regulation simpler, clearer and less subject to interpretation would be good for the economy, and make it harder for those public officials and private sector operators who bend the rules in corrupt dealings. The meeting heard graphic accounts of how lack of clear rules allows market manipulation and graft. This problem affects commercial codes, company law, and accounting standards; but equally most government regulation, where less red tape would improve efficiency as well as limit the scope for graft. Clarity and transparency are the best way to combat these corrupt practices, and there is a new mood favouring this approach. Business needs to work in harness with government to identify practical reforms which create such clearer rules.

The conference thanked Dr Martin Kansichi, Minister for Trade and Private Sector Development, Malawi for his message of support. In his message, Dr Kansichi stated “BAAC initiative is unique in developing a partnership between

the business sector and government to eliminate corruption. I encourage West Africa to join us in taking forward this initiative and to come up with a clear plan of action that addresses the crisis we all face in the form of corruption”.

### **Tackling Corruption for Within – Improving Business Ethics**

The involvement of the leadership of the business community at the highest level is important to the success of Business Action Against Corruption.

Major companies generally have codes of conduct or compliance codes dealing with corruption, and the machinery to implement this. Typical features include:

- The importance of leadership commitment – “telling breeds commitment”
- Bringing corruption into the open and putting it into context - dialogue and debate are required with the organisation
- Encouraging speaking up and setting up a proper reporting or “whistleblower” system with an independent element
- Follow through is required, action taken against offenders, and the rules applied from top to bottom
- There is a short term pain or cost which may accompany the gain of operating, and being seen to operate, a zero tolerance policy

In implementing company strategy, it is important to go to the drawing board, and ensure that an approach is adopted to win hearts and minds of all staff.

Businesses can also assist by improving integrity in their supply chain – partner codes with suppliers can help to enforce ethical standards. There must be mutuality in the approach to the agenda of fostering ethical business practices in a manner that promotes confidence.

### **Developing Business Peer Evaluation Mechanisms – Convention on Business Integrity**

Business to business peer review or rating mechanisms are an innovative mechanism - a stick and carrot for improving corporate governance standards. The meeting commended the Convention on Business Integrity as a model for peer-based rating and assessment both within Nigeria, and as a model for examination in other countries. Such rating systems can be extremely powerful not just in ensuring compliance, but as a way to drive improved internal performance and corporate growth. Companies were urged to join CBI.

## **Capacity Building – Targeting SMEs**

There are evidently many good models for internal training programmes within larger multinational companies. But skills need to be widened to other institutions – need to build skills and quality across the board, and inculcate a culture – winning “hearts and minds” so that there is a generalised resistance to corrupt practice. Smaller companies are a priority, and there is a particular role for larger companies to help make available training materials for indigenous, small and medium enterprises which lack these resources to develop and deliver these programmes. Support is also needed to target state enterprises which form a major part of the economy.

## **Going Forward**

The need for a collective private sector voice, through umbrella bodies, that will carry out the advocacy work for ethical and anti corruption strategies was once again emphasised. A new website [www.hokoyo.org](http://www.hokoyo.org) has been set up as a communication tool for the campaign.

The meeting underlined the importance of the business leaders and government working together. There was a strong statement explaining from the official side – the Southern Africa Forum Against Corruption (SAFAC) – to the value of working with the private sector. The Malawi model was complemented as a good one for creating a national private sector strategy to tackle corruption.

The working group will be organising a set of follow up activities including

- Producing a training programme for SMEs
- A meeting in southern Africa on developing Codes of Conduct for disclosure of interests
- Development of a private sector benchmarking approach to corruption for the African Peer Review Mechanism
- Central Africa BAAC, alongside the Cameroon Investment Forum, Yaoundé, 9<sup>th</sup> May 2006-02-20
- East Africa BAAC, April 2006
- Development of a system of African Awards to recognise outstanding actions against corruption

## **Conclusion**

The meeting urged companies, business and professional bodies to support BAAC and asked the working group to submit this report to the WAIF.

It was agreed to set up a BAAC in Nigeria and to hold a follow up meeting to this end within 6-8 weeks.

The meeting thanked V Mobile for its sponsorship and Ishmael Yamson for Chairing the event.

All event presentations can be found at [www.hokoyo.org](http://www.hokoyo.org)