



WHITEPAPER

ABEC CONFERENCE 2019



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Acronyms

ABEC	Africa Business Ethics Conference
CIPE	Center for International Private Enterprise
EACC	Ethics & Anti-corruption Commission
KEPSA	Kenya Private Sector Alliance
KNCCI	Kenya National Chamber of Commerce & Industry
MRS	Milestone Resource Solutions
MSMEs	Micro Small and medium-sized enterprises
SMEs	Small and medium-sized enterprises

ABOUT THIS WHITEPAPER

This White Paper summarizes the experience of the high-level regional conference Best practices for better business; the role of the private sector in promoting transparency & accountability, convened by Milestone Resource Solutions (MRS) in partnership with Center for



Ms Fatma El Maawy ABEC Founder and Convener

International Private Enterprise (CIPE), Kenya Private Sector Alliance (KEPSA) and the Kenya National Chamber of Commerce & Industry (KNCCI) at Safari Park Hotel, Nairobi, Kenya on 25 – 26 June 2019.

Although Africa continues to make strides in many spheres of economic development, Africa's leap is constantly being curtailed by corruption. Despite efforts done in curbing the vice, Africa is making insignificant progress towards eradicating corruption. Whereas efforts being done across the region are laudable, more needs to be done especially by the private sector.

The desired impact of the conference was to see raising standards of business practice for efficiency to drive cross border trade, business growth, economic stabilities, and sustainability of Small and medium-sized enterprises (SMEs) and reduce business and financial risk also making Africa an attractive foreign direct investment destination.

The conference was part of the ongoing efforts around the Ouagadougou Declaration, developed in partnership with the World Movement for Democracy and the US Chamber of Commerce that brings together the private sector, government, and civil society to find new ways to address societal problems.

The objectives of the regional conference were:

- To provide a platform for businesses to have an open conversation about corruption;

- To bust the myth that a business has to be corrupt to grow;

- To mobilize the private sector to play its role in creating ethical enterprise;

- To highlight the importance of private sector working in partnership with the public sector in reducing graft;

- Liaise with other global Anti-corruption agencies and learn from them i.e. their success as well as challenges and how they work with the business community;

- To use the platform to launch CIPE's Ethics First Initiative in Kenya;

- To create awareness on the ethical risks of corruption for business.

EXECUTIVE SUMMARY

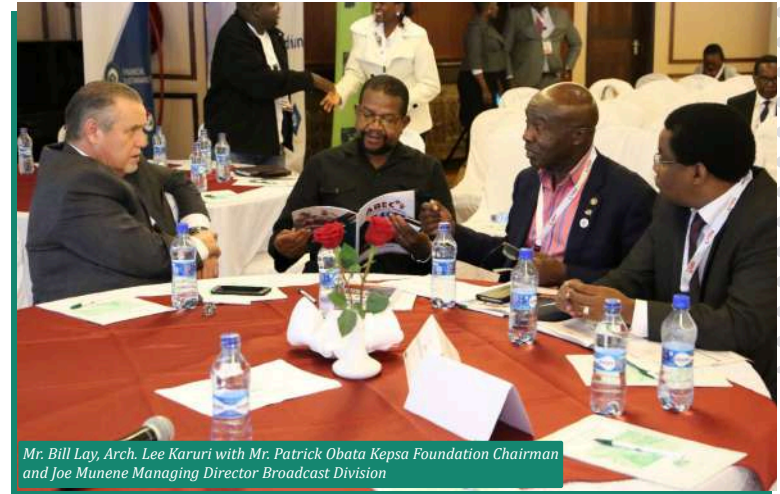
The 1st Africa Business Ethics Conference (ABEC) was held in June, 25th-26th, 2019 in Nairobi, Kenya at the Safari park Hotel. The theme of the conference was Best Practices for **Better Business: The Role of the Private Sector in Promoting Transparency and Accountability**. The conference was the first of its kind to take place at a regional level with a core focus on discussing ways of improving business ethics and promoting transparency and accountability in Africa. It was hosted by Milestones Resource Solutions and Center for International Private Enterprise (CIPE). Lead partners were Kenya National Chamber of Commerce and Industry (KNCCI) and the Kenya Private Sector Alliance (KEPSA)

The conference brought together over 222 delegates; 116 women and 106 men. Six Nations were represented at the conference including; Kenya, United States of America (USA), Nigeria, Zimbabwe, France and Mauritius. They represented government agencies including; EACC, DPP, KIPPRA & CBK, civil society, development partners, religious organizations, SMEs, academia, and the private sector. The closing ceremony was officiated by Kenya's Central Bank Governor Dr Patrick Njoroge who also gave the conference rallying call.

The private sector had the highest representation at 69%, followed by civil society at 10%, development partners and embassies at 8%, national government at 4% while other sectors had a representation of 8%.

The representation of the private sector was as follows—information, media and telecommunication at 18%, finance and insurance at 16%, construction and real estates at 10%, health services and social work at 5%, hospitality, tourism, food services, power energy, extractives (oil, gas and mining) at 3%, and manufacturing and education 2%. Other sectors had a representation of 39%. Sizes of the business represented were as follows; 42% less than 10 employees; 19% those with 11-50 employees; 8% those with 51-100 employees and 31% more than 100 employees.

The conference served as a platform for discussing practical solutions for the private sector in Africa to combat corruption and explore opportunities for collaboration between the stakeholders represented with a view of private sector taking a lead role.



Mr. Bill Lay, Arch. Lee Karuri with Mr. Patrick Obata Kepsa Foundation Chairman and Joe Munene Managing Director Broadcast Division

Topics addressed at the ABEC 2019 Conference

- Private sector, the unexplored key to reducing craft and corruption.
- The role of media in the fight against corruption;
- Strengthening legal and regulatory frameworks in Africa to embolden to the fight against corruption;
- Political, social and economic advantages of a successful fight against corruption; Key note address: Building Private Sector and Citizen's trust in government efforts to stem corruption and graft;
- An overview of the Kenya corruption risk mapping report;
- The Economics of Money Laundering Stolen Assets, and Asset Recovery;
- Legal & regulatory frameworks in various African countries;
- Development Partners: Are non-profits and development partners impacted by corruption in a different way from businesses?
- The missing link in entrenching ethics and integrity in the Kenyan business environment;
- How government & private sector can work together to reduce corruption;
- How to incentivize private sector to adopt anti -corruption compliance;
- Surviving Multinational Due Diligence;
- The role of procurement in the fight against corruption and Small Business journey to better business practice.



Mr. Richard Ngatia KNCCI President with Dr. Julius Kipngetich Regional CEO of Jubilee Holdings at the ABEC 2019

CONFERENCE OUTCOMES

The conference created a platform for enterprises to understand the adverse effects of corruption on business and the economy at large while engaging in dialogue on how to entrench a culture of Ethics and integrity as business & institutional tenets that shape choice and behavior. There was also a rich discourse that identified the following issues as critical to creating a corrupt free private sector.

Promoting access to information as a right of citizens; Entrenching democracy, good governance, transparency, accountability and rule of law in the country; Promoting a free, independent & responsible media; Political goodwill; Collective action & multi-sectoral approach; Professionalism and institutionalism; Independence of constitutional bodies like the Judiciary & ODPP; Whistleblowing;

OVERARCHING THEMES AND RECOMMENDATIONS

Creation of awareness on corruption & its impact starting early in the Citizens life and ongoing; Capacity building of SMEs on Ethics & Integrity compliance; relevance of legal & regulatory frameworks and fast tracking implementation and enforcement of existing laws .

The main outcome of the conference was to raise standards of business practice for efficiency to drive cross border trade, business growth, economic stabilities, and sustainability of SMEs and reduce business and financial risk also making Africa an attractive foreign direct investment destination, which covers the main recommendations emerging from presentations and plenary discussions.



Guest of Honour Kenya's Central Bank Governor Dr. Patrick Njoroge with Conference founder Fatma El Maawy accompanied by main conference sponsors CIPE represented by Regional Director Africa Mr. Benson Lars, Ms Lola Adekanye Senior Program Officer Africa and Kenya's county Director Ben Kiragu, KEPSA Director Eng. James Mwangi

Role of media: a free, independent and responsible media is critical in the fight against corruption, entrenchment of ethics and integrity, and access to information. A free press investigates and exposes cases of corruption.

Building a culture of ethics and integrity: there is a need to build a business and institutional culture of ethics and integrity for greater profitability and sustainability.

Public education and awareness: to lay a foundation for an ethical culture it is crucial that awareness of the effects of corruption be created and mainstreamed through our education system and ongoing awareness on corruption and its negative impact on society and business.

Supportive legislative landscape: existing laws such as the Bribery Act 2016 and whistle blowers policies need to be reviewed to reflect current realities, they should be publicized widely and implemented expeditiously. Legislation should sanction penalties and sentences that are commensurate with the nature of corruption. Strong regulatory frameworks for archiving and documentation should be developed to secure evidence.

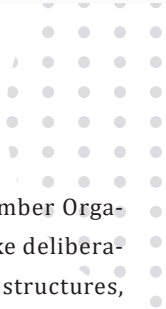
A collective voice by business: to embolden the fight against corruption the private sector through Business Member Organizations/ Associations needs to be a strong, visible advocates on ethics and integrity issues in business collaborating with the public sector to promote ethics and integrity initiatives.

An independent, efficient, impartial, empowered and accountable Judiciary: the critical role of the judiciary cannot be underrated. The Judiciary should therefore be sufficiently funded and given the independence that is enshrined in the constitution. Conversely it should efficiently and in a timely manner process matters, ensure penalties that are sanctioned are commensurate with the nature of corruption and administer clear corruption consequences including custodial sentences to the elite.



Business ethics and integrity capacity building: SMEs lack knowledge on compliance issues and the capacity to set up compliance systems in order to create organizational policies that enable business and employees embrace a culture and practice of ethics and integrity. There is therefore a need to build knowledge and competencies amongst SMEs through training, creation of policies, procedure and development of ethical codes of conduct for employees.

Embrace Technology: automation by SMEs would ensure for accessibility and better quality data for improved policy decisions and greater accountability, while for government, automation will minimize the interface between public and private sector and mitigate graft in the demand and supply chain.



Self-regulations: private sector should through Business Member Organisations lead the charge by ensuring that their members make deliberate choices to self-regulate by establishing appropriate structures, systems, policies and procedures to ensure compliance. Further companies need to undertake risk assessment measure, put proper governance mechanisms for monitoring and evaluation, adhere to ethical business dealings, undertake employee training, ensure acceptable organizational culture, create and implement organizational code of conduct, policies and regulations around bribery, and undertake system automation for enhanced organizational efficiency, transparency and accountability. BMOs should ensure members sign to code of ethics and call out those that do not adhere.

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