

2C.III Case story: Convention on Business Integrity

Soji Apampa* | SAP Nigeria Ltd.

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The Convention on Business Integrity (CBI) is a project to facilitate business transactions in or with Nigeria without corruption. The vision of the CBI is to convince Nigerian society to be intolerant of corruption, which strikes at the heart of the market economy, distorting decision-making and rewarding the corrupt and manipulative rather than the efficient and the productive. CBI's ultimate goal is to change the perception of Nigeria as one of the most corrupt countries in the world. This may be a great expectation, but each journey begins with the proverbial first step.

The negative perception of Nigeria since the 1990s has not only hindered the growth of businesses within the country but has also dampened economic investment by foreign companies. Fortunately, a concerted determination to change the situation is on the rise. A strong consensus has formed among the Nigerian Government, international organizations and donor agencies, civil society, and now also the business community, to battle against corruption and bring new life to Nigerian enterprise. Many of the country's Government-led development efforts in the past were unsuccessful. Today, increased privatization has given the private sector a greater responsibility for development.

In the 1990s, a concerned Nigerian businessman named Soji Apampa took up the cause of doing away with corruption in business. Today Managing Director of SAP Nigeria, at the time Apampa was representing AB Sandvik International. AB Sandvik International was unable to scale up their involvement in Nigeria during that time due to fears generated by the widespread lack of integrity and corruption in the market. The late Mr. Arne Ekfeldt, Swedish Ambassador to Nigeria at the time, repeatedly challenged Apampa regarding the state of affairs in his country, asking him, “If someone like you does not drive change, who will? What heritage would there be for your children and future generations if people like you don't try to do something, no matter how small, now?”

In 1995, the challenge was taken up by Soji Apampa and Yemi Osinbajo, a partner in the law firm of Osinbajo, Kukoyi & Adokpaiye. Having served as special adviser to Prince Bola Ajibola, then Attorney-General of the Federation, Osinbajo had had his own share of first-hand experiences with public sector corruption.

Together, Apampa and Osinbajo founded Integrity, a not-for-profit organization with the goal of empowering people, systems, and institutions against corruption by

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promoting truth, civility and accountability. This led two years later to the formation of the Convention on Business Integrity (CBI) to tackle head-on the issue of integrity in the private sector.

Formally launched in Lagos on 2 October 1997, the Convention promotes ethical conduct in business, as well as competence, transparency, accountability, and a commitment to doing what is right, just, and fair. Its member organizations include Integrity; Transparency in Nigeria, a national chapter of Transparency International; and numerous local and multinational businesses.

In essence, the Convention is a declaration against corrupt business practices. It is worth noting that the document is not a legal document but it represents a moral agreement between consenting parties. It is binding in honour only.

The primary purpose of the CBI initiative is to encourage the establishment of a minimum standard for business integrity in Nigeria. By certifying the integrity of its members, the Convention hopes to gradually change the perception that all Nigerian business is fraudulent. This will increase the level of business confidence within the country and foster productive international relationships.

Getting companies in Nigeria to sign such a Convention was very difficult. For instance, during a presentation to the assembly of the Lagos Chamber of Commerce and Industry on the CBI seeking to persuade them to sign up, the effort was rejected immediately by most of those present. One member shouted “I would like to sleep in my own bed!”—meaning that he didn’t want to be locked up by the authorities. Only three key members of the Chamber rose up in support of the Convention, including Dr. Christopher Kolade, who was then Chairman of Cadbury Nigeria plc and today is Nigeria’s High Commissioner to the UK.

After signing Cadbury Nigeria plc as the first member of the CBI, Dr. Kolade assisted with presentations to other potential participants, such as Nigeria’s first chartered accountant, Mr. Akintola Williams of Akintola Williams-Deloittes and Professor Gabriel Olusanya, the Director-General of the Nigerian Institute of Management.

CBI does not assume perfection on the part of a signatory but rather a willingness to participate in a coalition that expects high moral standards and demonstrated efforts at self-reform. Assistance in achieving the standards is provided through the CBI Secretariat. Once a company has signed the Convention and ratified it by implementing the Code of Business Integrity, compliance is largely self-policing. All stakeholders are empowered by the code to act as whistle-blowers. Even junior employees in large organizations can blow the whistle without fear of victimization. Periodic compliance checks are also carried out by the CBI Secretariat.

The principle of membership works in a way analogous to the revolving micro-credit schemes popular in Africa, called *ajò*, *esusu*, etc, in some parts of Nigeria. Under these schemes, members contribute equal amounts on a periodic basis, and the whole pot is given to one member. The rate of default in these schemes is generally accepted to be very low because they operate through a mutual accountability network where sanctions are applied through peer pressure and each member submits to peer review. This process continues until all the members benefit in terms of credit finance from the scheme.

CBI signatories are well known for their credibility. They help define minimum standards that will allow them to lend their credibility to other companies that are perhaps less well known but deserving of their support.

During the early days of the CBI, the biggest debates in the group were around processes for responsible whistle-blowing and how compliance monitoring would be effected. Signatories wanted to be sure their reputation could not be damaged by disgruntled employees or stakeholders making spurious reports just to hurt an individual or an organization. It was agreed in the end that whistle-blowers would have to remain anonymous to the company or persons involved.

The process begins by presenting allegations of questionable practices to a core group of signatories. If the whistle-blower’s claims are substantiated, the core group then approaches the company in question. Such companies have a responsibility to deal with the issues as

well as they can internally and for this purpose they need to appoint an ethics counsellor: “The intending signatory must appoint an Ethics Counsellor to counsel with those wishing to resolve ethical dilemmas, and those seeking clarification of ethical values, or core values of the organization. He or she will counsel in confidence with those wishing to report unethical and corrupt practices taking place within their organization and take appropriate action. An Ethics Counsellor must be a member of senior management that enjoys the trust and confidence of both management and employees. He or she must have a good knowledge of organizational processes and the core values of the organization. He or she shall also monitor organization compliance with this Code of Business Integrity.”

In 1999, two years after the Convention was established, Nigeria returned to Civil Rule. One of Integrity’s co-founders, Yemi Osinbajo, was appointed Attorney-General and Commissioner for Justice, Lagos State Government. Another key core group member, Mr. A. Olawale Edun, CEO of Denham Management, was appointed Commissioner for Finance, Lagos State Government. That same year, Soji Apampa joined SAP.

The new career paths of the founders reduced the push for the CBI; therefore funding and momentum waned. However, recognizing the potential of the CBI for the Nigerian economy, SAP agreed that Soji Apampa could continue to spend a portion of his time working on the initiative.

It soon became clear, however, that CBI needed a Secretariat with full-time trained staff to carry out its mission and to assist the signatories.

In 2000, SAP AG signed on to the United Nations Global Compact. As a first project, the company decided to engage with the CBI and signed the Convention in 2002. Hasso Plattner, SAP chairman at the time, said: “We felt a natural chemistry between the aims of the convention and our own corporate conduct and services. The convention’s principles are very much in line with SAP’s philosophy. Strengthening business process transparency in Africa will help increase investor confidence and bring about greater investment inflows, benefiting all.”

The engagement of companies such as SAP brought about the interest of key players in the Nigerian economy as well as the Department for International Development (DFID) of the UK Government. DFID found the reports on CBI very encouraging and recognized its potential as a driver of great change in Nigerian society. They offered technical assistance to develop a strategic plan for the initiative and extended a three-year grant to provide funding while the Convention recruited new members.

Baroness Chalker of Wallasey, Chairwoman of Africa Matters Ltd., started a campaign to get the CBI adopted across Africa. She presented the concept to the Presidents of Ghana, Uganda, and Kenya with the result that the CBI was invited to come and set up chapters in those countries. Other efforts brought about interest in Zambia and Rwanda as well.

In 2004, the Ministry of the Federal Capital Territory (MFCT), the seat of the federal Government of Nigeria, decided to sign on to the Convention as a pilot for the public sector. Admitting that the MFCT was one of the most corrupt ministries in the Government of Nigeria, the Minister declared at the signing ceremony that by 2005 he would like to have implemented all the provisions of the CBI within his ministry. He insisted that all contractors doing N50m (US\$350k) or more business with the MFCT would now have to comply with the same standards as CBI.

The Minister for Finance for the Government of Nigeria, Dr. Ngozi Okonjo-Iweala (a former Vice-President of the World Bank), and Chair of the public sector reform team in Nigeria, stated that as soon as the MFCT had successfully implemented CBI provisions, his Ministry would follow suit and insist that all their contractors sign up to the Convention standard.

These two accomplishments of the CBI represented a major breakthrough into the private-public interface of grand corruption.

In 2005, Express Discount Limited (EDL), traders in Government bonds and other securities, signed on. Before publicly indicating an interest to sign, they adopted the standards of the code and implemented all of its provisions

internally. They said they had been inspired by the signing ceremony of SAP AG, which they attended. EDL will be the first of all CBI's signatories to have implemented all the provisions and thus qualify for the stamp of accreditation. The next step will be external, third-party verification of their claims. While interest in the CBI is growing rapidly, there have been challenges. In fact, CBI almost lost some existing signatories due to misunderstandings.

In one instance, a new member of CBI staff, who was an ex-internal auditor, gave the impression to a particular signatory that compliance monitoring would function like an intrusive financial audit. The signatory strongly objected to opening up his organization to the CBI and threatened to walk away from the scheme. The misunderstanding was cleared up when compliance monitoring was properly described.

Another challenge occurred when management of a CBI member company changed hands. The whole idea with its benefits had to be re-marketed to the new management.

The momentum of the Convention on Business Integrity has steadily accelerated and now cannot be stopped. Company by company, corruption in Nigeria is being driven back, and fair business practices are being promoted more and more. The ideas of Integrity and the Convention are spreading beyond Nigeria. and real change is being demonstrated throughout Africa.

Links

www.theconvention.org

www.sap.com/company/citizenship

If someone had asked Soji Apampa in the early 1990s whether he thought Nigeria would some day take a more powerful role on the world stage and that corruption would be dramatically reduced, he would have said: "Very difficult if not impossible, but it is worth a try." This just goes to show what the determination of one individual can do to change people's perception and promote fair and ethical behaviour even in what was once perceived to be the most corrupt country in the world.