



April 15, 2019

Dear Sir,

COMMUNICATION ON ENGAGEMENT TO THE UNITED NATIONS GLOBAL COMPACT

I am pleased to confirm that The Convention on Business Integrity reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

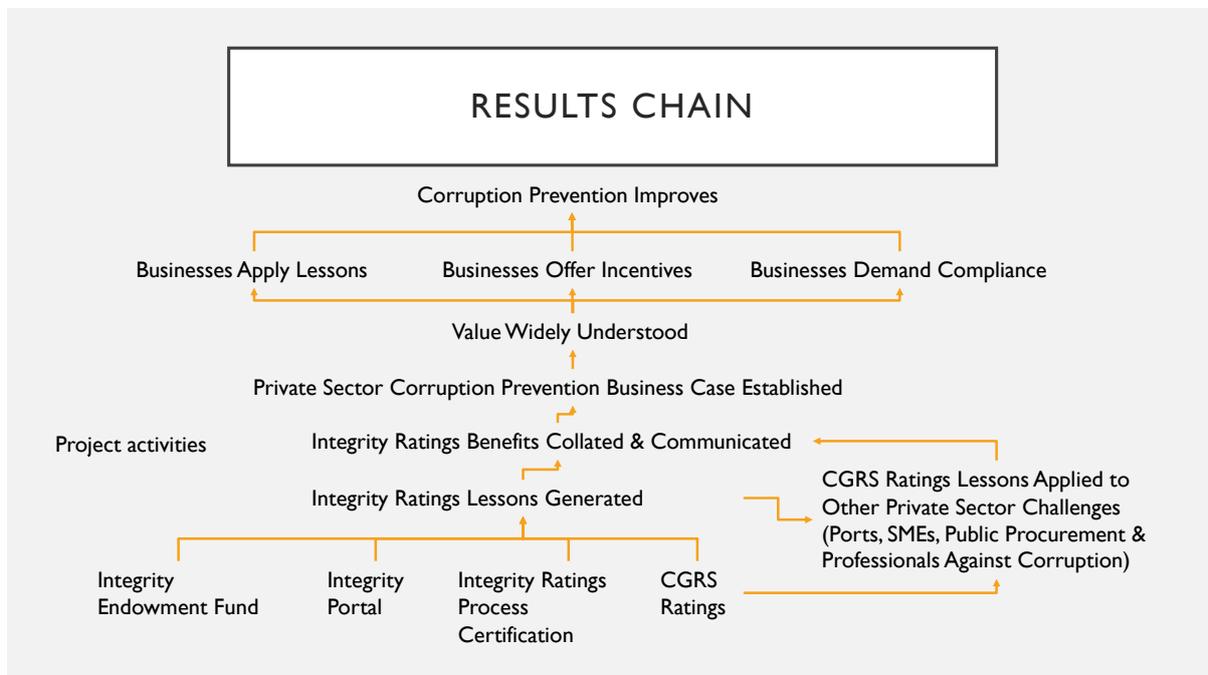
This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication on Engagement, kindly see information on the different projects currently being undertaken that describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Olusoji Apampa
CEO

PART 11: DESCRIPTION OF ACTIONS



SUMMARY OF ACTIONS

We have been organizing engagements with business to strengthen anti-corruption compliance.

1. Promoting Business Collective Action – Annual Christopher Kolade Lecture on Business Integrity
2. Facilitating Dialogues between business and regulatory agencies as this is the highest corruption risk interface for business, done through the Regulatory Conversations Series
3. Professionals Against Corruption
4. SME compliance portal for SME Governance & Controls which is almost ready for launching www.cbinigeria.com/SME
5. Broadening and disseminating our research on Standard Operating Procedures at the ports prelude to publishing ratings www.cbinigeria.com/cf_survey/
6. Political Economy Study on Public Procurement in Nigeria prelude to engaging with Open Contracting Initiative and publishing public procurement ratings



7. Training CSOs on how to better engage the private sector and introducing them to Business Action Against Corruption (BAAC) www.cbinigeria.com/BAAC to increase collective action in the fight against corruption. BAAC is also being promoted digitally at the moment.

The Convention on Business Integrity has engaged in anti-corruption activities with stakeholders following the results chain depicted above. We have worked particularly on taking lessons from our successful Corporate Governance Rating System and applying it to other items important to the private sector:

A. THE CORPORATE GOVERNANCE RATING SYSTEM (CGRS)

The CGRS, a collaborative effort with the Nigerian Stock Exchange, was introduced in 2010 and finally launched in 2014 (after a rigorous design phase). Today, companies that have qualified, about 25% of the market, represent over 80% of the market capitalization of the exchange. Our CGRS score (heavily weighted against corruption) is one of the criteria considered by the Securities & Exchange Commission before a company can be listed on the new Premium Board of the Exchange. All other certified companies are placed in a tradable Corporate Governance Index.

B. SMALL & MEDIUM ENTERPRISES (SMEs)

SMEs in Nigeria struggle with poor access to finance and sometimes, unethical regulatory pressure (from corrupt officials). Our solution in partnership with the UNGC Local Network in Nigeria was to design a toolkit that would help them improve compliance and gain greater access to finance at the same time.

After further development work, we have prepared a compliance portal <http://www.cbinigeria.com/SME/> that will assist SMEs both get compliant and prepare for certification to improve their access to finance and business opportunities. This information will be conveyed through compliance ratings of the companies following the success of the CGRS.

Pursuant to this, we have created indicators that will be in keeping with standards of the UK Government's Business Integrity Initiative and the US Center for International Private Enterprise's Ethics First programme in which we are partnering to contribute to their database of compliant SMEs in Africa.

C. NIGERIAN SEA PORTS

We have been representing the Maritime Anti-Corruption Network (MACN) consisting of over 100 of the largest shipping companies in the world. They represent over 25% of global tonnage and 75% of global container business. With increasing pressure around elimination of facilitation payments and bribes to foreign public officials as well as the multi-jurisdictional nature of anti-corruption laws, the risk to these companies has spiked in recent times. In Nigeria, we have helped push compliance with standard operating procedures and escalate reports through the grievance mechanism when the SoPs are not being followed by public officials in Nigeria including desisting from demanding unauthorized payments.

To simplify the work, we have developed a rating of the transparency of the SoPs by port/terminal, consistency of application of these SoPs and predictability of the cost and time a port call in Nigeria would incur. A questionnaire developed for the purpose is currently online - http://cbinigeria.com/cf_survey/.

D. PUBLIC PROCUREMENT

We undertook a political economy analysis of public procurement in Nigeria with a critical look at the history and trajectory of progress made till date and a view to engaging with the private sector on discussions around Open Contracting. The reforms in public procurement dating back to the Obasanjo regime, the steps taken to align with recommendations of the United Nations Commission on International Trade Law (UNCITRAL) and culminating with the enactment of the Public

Procurement Act in 2004 and the Open Contracting Data Standards through CSOs advocacy, reveal the attempts at probity in public procurement in Nigeria. We now wish to develop a rating system for top procurements in Nigeria to signpost compliance with rules and help private sector bidders manage their corruption risk better.

E. PROFESSIONALS AGAINST CORRUPTION

This activity was launched in direct response to the charge by Governments during the 2016 London Anti-Corruption Summit that activities of intermediaries such as Lawyers and Accountants had to be better monitored for vulnerabilities in facilitating corruption and the movement of corruption proceeds. The backdrop to the London Anti-Corruption Summit was the release of the Panama Papers, which largely unmasked the extent to which intermediaries and professional services firms were involved in corruption schemes.

- We worked with the Presidential Advisory Committee Against Corruption (PACAC) on a programme to sensitize the Association of Professional Bodies of Nigeria (APBN) to get them to take up this action. CBI invited Mr. Paul George, a partner at PwC UK and co-Chair of the group that issued the Statement of Support, to address the conference.
- We worked with PACAC, CIBN and ACCA on Financial System Stability and the need to curb illicit fund flows. CBI brought Mr. Nick Leeson, who was responsible for the collapse of the 150-year-old Barings Bank, to address the conference.
- We co-sponsored participation of selected members of the PACAC at the 2016 International Anti-Corruption Conference IACC in Panama.
- We engaged PwC UK, along with Mr. Osaro Eghobamien of Perchstone & Graeys, to explore the drivers and incentives for similar action to curb corruption being proposed for professional services firms in Nigeria. This is against the backdrop that the group in London had in previous engagements expressed an interest to forge closer ties with a similar movement in Nigeria.

Last year, we engaged over 100 Professional Services firms to share the benefits of taking on business models that were less prone to supporting corruption and we had over 20 companies volunteer to be taken through a ratings process to signal their anti-corruption compliance

F. REGULATORY CONVERSATIONS (RC) & ANNUAL CHRISTOPHER KOLADE LECTURES ON BUSINESS INTEGRITY

In the course of our engagement with stakeholders, it became clear that interface with regulators came up as one of the largest sources of corruption risk to businesses in Nigeria. We therefore initiated the Regulatory Conversations (RC) series aimed at engendering deeper reflection over the aims of regulation and the role of the regulator in Nigeria. The RC series began in the wake of two major regulatory actions that took place in September 2018; The Central Bank of Nigeria imposed fines on a telecommunications company (one of our signatories) & four of their bankers and the Attorney-General of the Federation further demanded the payment of US\$2bn in alleged unpaid back taxes from the same company. The US\$8.1bn demand has been resolved with a US\$53m payment and the US\$2bn remains the subject of litigation. So far, three editions have been held to advocate for a clear philosophy of regulation in Nigeria. This will be an ongoing programme.

G. CK SERIES

The Annual Christopher Kolade (CK) lecture series commenced in 2013 to celebrate an Integrity icon. Over the years, the lecture has been a platform/ forum for both the private/ public sector actors to discuss and proffer viable solutions to issues that plague the sectors and invariably affect the business climate of the country. The keynote speaker for the 6th edition themed “**The role of Business Integrity in National Transformation**” was the former President of the Federal Republic of Nigeria- Chief Olusegun Obasanjo, GCFR, Ph.D while Dr. Wale Akinyemi and Mr. Austin Avuru, a renowned specialist in the oil sector, supported him. In the six editions held so far, we have had an average of about

two hundred participants in attendance in each edition. Out of the total number of participants for each event, we have an average of 70 percent being of C level management attend/represent key officers at the program.

PART 111: MEASUREMENT OF OUTCOMES

Please refer to our results chain presented at the start of this report. The path to outcomes and impacts from our work is as follows:

1. Organizing engagements with business around integrity ratings; lessons learned will strengthen anti-corruption compliance and in turn lead to
2. Improved business case around private sector corruption prevention, which leads to
3. Strengthened business capacity to contribute to the fight against corruption in Nigeria, which enables
4. Strengthened and more effective anti-corruption business collective action with citizens groups and government to fight corruption.
5. The value of reducing corruption being widely understood, and
6. A reduction in corruption as a result both of stronger incentives not to loot public resources and as a result of changing public attitudes that will increasingly disapprove of corrupt activities and then lead to
7. Changes in practices in public & Private Spaces in relation to corruption (lessons learnt, compliance incentives offered, and standards demanded of business partners), and finally
8. More accountable formal and informal institutions in Nigeria that deliver better services, an improved environment for business and investment in which corruption is better prevented.

SUMMARY OF OUTPUTS

- Under the CK series, there were 186 participants at the 6th CK which held June 29, 2019.
- Under the platform of the Regulatory Conversations, we had 414 participants from the three RCs.

- The MTN actions were recently settled with the company being asked to refund US\$53m as against the US\$8.1bn initially demanded by regulators.
- Officially launched the Presidential Enabling Business Environment Council App during the RC3 event themed "Improving Transparency and Ease of Doing Business in Nigeria <https://reportgov.ng/>.
- The report on the political economy analysis on the bureau of public procurement provides an analysis of public procurement processes in Nigeria by highlighting the role of the institutions, the impact of the various stakeholders and the challenges being faced. It proffers recommendations that are designed towards institutionalizing transparency, accountability and probity in public procurement processes.
- The CGRS is now part of the requirements for listing on the Nigerian Stock Exchange and out of 155 equities eligible to participate, 117 have started the process. 40 have made the mark and some 21 are still in various stages of the process. 572 directors have been trained and 496 have passed their Fiduciary Awareness Certification Test (FACT).
- At the last session of training for the CSO, 77 persons were trained spanning CSOs, Media practitioners and Labour leaders who are now more willing to engage effectively with the private sector.
- At the meeting with the professionals against corruption (lawyers and accountants), there were 173 participants with 60 of the participants volunteering to participate in the assessment using the corruption risk assessment checklist.
- Number of public officials trained on professional ethics 2016-2018 for MACN is 1,000